# India Finsec Limited

(L65923DL1994PLC060827)

**Date: 07-09-2021**

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

**SCRIP CODE NO.: 535667**

**Sub. : Submission of 27TH Annual Report for F.Y. 2020-21 of the Company, pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.**

Dear Sir/Madam,

Pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the Annual Report of the Company for the Financial Year 2020-21 along with notice of the 27th Annual General Meeting of the Company, scheduled to be held on Thursday, the 30th day of September, 2021 at 9.30 a.m. at D-16, First floor, Prashant Vihar, Sector-14, Rohini, New Delhi-110085.

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

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

Thanking You,

Yours faithfully,

**For India Finsec Limited**

India Finsec Ltd. Delhi

**Vijay Kumar Dwivedi**
**CS & Compliance officer**
**Enclosed: As above**

D-16, First Floor, above ICICI Bank, Prashant Vihar, Sector - 14,
Rohini, New Delhi - 110085
Tel : 011-47096097 • e-mail id : indiafinsec@gmail.com • Website : www.indiafinsec.com



# 27th ANNUAL REPORT

F.Y. 2020-21

# India Finsec Limited

# Corporate Information

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

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# ANNUAL GENERAL MEETING

**Date: Thursday, September 30, 2021 | Time: 9:30 a.m.**
**Venue: D-16, 1st Floor, Prashant Vihar, Sector 14, Rohini, Delhi - 110085**

**September 04, 2021**

Dear Members/Directors/Auditors,

You are cordially invited to attend the 27th Annual General Meeting (the "AGM") of the members of **India Finsec Limited** ("the Company") to be held on **Thursday, September 30, 2021 at 9:30 a.m.** at **D-16, First floor, Prashant Vihar, Sector-14, Rohini, New Delhi-110085.**

The Notice of the meeting containing the business to be transacted is enclosed herewith. As per section 108 of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide its members the facility to cast their votes by electronic means on all resolutions set forth in the Notice. The instructions for e-voting are enclosed with the Notice.

Thanking You,

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

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

*Enclosures:*

1. *Notice to the 27th Annual General Meeting*
2. *Attendance Slip*
3. *Proxy Form*
4. *Form No SH-13*
5. *Form No SH-14*
6. *Route Map to the venue of AGM.*

# NOTICE

**Notice** is hereby given that the 27th Annual General Meeting (AGM) of the members of **India Finsec Limited** will be held on **Thursday, September 30, 2021 at 9:30 a.m.** at D-16, First floor, Prashant Vihar, Sector-14, Rohini, New Delhi-110085 to transact the following business:

**ORDINARY BUSINESS:**

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

To receive, consider and adopt the audited financial statements (including the consolidated financial statements) of the company for the year ended March 31, 2021 i.e. Balance Sheet as on March 31, 2021, the Statement of Profit and Loss Account, Cash Flow Statement for the year ended on March 31, 2021 along with the reports of the Board of Directors ('the Board') and the Auditors thereon.

**Item No. 2 – Re-appointment of Mr. Gopal Bansal as a director liable to retire by rotation**

To re-appoint Mr. Gopal Bansal, Executive Director (DIN: 01246420), who retires by rotation at this Annual General Meeting and, being eligible, offers himself for re-appointment.

**"RESOLVED THAT** pursuant to the provisions of Section 152 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Mr. Gopal Bansal (DIN 01246420), who retire by rotation and being eligible, offers himself for re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation."

**SPECIAL BUSINESS:**

**Item No. 3 – To appoint Mr. Devi Dass Agarwal (DIN: 09152596) as a Non-Executive Independent Director**

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

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 152, 161 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), and pursuant to the provisions of SEBI Listing Regulations, 2015, including any modification or amendment thereof, **Mr. Devi Dass Agarwal (DIN: 09152596)**, who was appointed as an Additional Director by the Board of Directors in their meeting held on 30th June, 2021 and who holds office as such only up to the date of this Annual General Meeting and in respect of whom the Company has received a notice, pursuant to the provisions of Section 160 of the Act, from a member signifying his intention to propose **Mr. Devi Dass Agarwal**, as a candidate for the office of Director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office for a term of 5 (five) consecutive years commencing from 1st July, 2021 and whose office shall not be liable to retire by rotation."

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

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

**Date: 04.09.2021**
**Place: New Delhi**

**Notes:**

1. The Statement is annexed with the Notice in respect of Special Business (Item No. 3), as required under Section 102(1) of the Companies Act, 2013.

2. **Proxy/Authorized Representative**

(i) A member entitled to attend and vote at the Annual General Meeting ("AGM") is entitled to appoint a proxy to attend and vote in the meeting instead of himself/herself and such proxy need not be a member of the company. The instrument appointing proxy (Proxy Form), in order to be effective must be deposited at the registered office of the company, not

less than forty-eight (48) hours before the commencement of the Annual General Meeting ("AGM"). Proxy Form is enclosed with the Notice. Members are requested to note that a person can act as proxy on behalf of the members not exceeding 50 (Fifty) and holding in aggregate not more than ten (10) percent of the total share capital of the Company carrying voting rights. However, a member holding more than ten (10) percent, of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or member.

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

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

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

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

(v) **With the aim of curbing fraud and manipulation risk in physical transfer of securities, SEBI has notified the SEBI (Listing Obligations and Disclosure Requirements) (Fourth Amendment) Regulations, 2018 on June 8, 2018 to permit transfer of listed securities only in the dematerialized form with a depository. In view of the above and the inherent benefits of holding shares in electronic form, we urge the shareholders holding shares in physical form to opt for dematerialization.**

(vi) **As per SEBI Circular No. SEBI/HO/MIRSD/DOP1/CIR/2018/73 dated April 20, 2018, members holding shares in Physical forms are requested to submit their PAN details and Bank Details to the RTA of the Company.**

(vii) Members who have not registered their email addresses so far, are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars etc. from the Company electronically

**3. Book Closure**

Register of Members and Share Transfer Books of the Company will remain closed from **September 23, 2021 to September 30, 2021** (both days inclusive) for the purpose of AGM.

**4. Cut- off date:**

(i) This Notice is being sent to all the members whose name appears as on **September 3, 2021** in the register of members or beneficial owners as received from **M/s Skyline Financial Services Private Limited, the Registrar and Transfer Agent** of the Company.

(ii) A person whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on **September 23, 2021** (the "**Cut-off Date**") only shall be entitled to vote through Remote E-voting and at the AGM. The voting rights of Members shall be in proportion to their share of the paid-up equity share capital of the Company as on the Cut Off date.

**5. Communication To Members**

(i) The Notice of the AGM along with the Attendance Slip and Proxy Form, and a copy of Annual Report are being sent by electronic mode to all members whose email addresses are registered with the Company/Depository Participant(s) unless a member has requested for a hard copy of the same and also to the Auditors and Directors of the Company.

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

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

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

(v) Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with relevant Rules made thereunder, Companies can serve Annual Reports and other communications through electronic mode to those Members who have registered their e-mail address either with the Company or with the Depository. For Members who have not registered their e-mails address, physical copies are being sent by permitted mode.

(vi) In order to implement the Green Initiatives of the Government, whereby Companies have now been allowed to send/ serve notice(s)/document(s)/Annual Report(s) etc, to their members through electronic mode, your Company hereby requests all its members to register their email ID with the Registrar and Transfer Agent (in case of Physical holding) and with the Depository Participant (in case of Dematerialized holding), if not yet provided, to promote Green Initiative.

**6. Voting By Members**

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

(i) Members may cast their votes through electronic means by using an electronic voting system from a place other than the venue of AGM (**"Remote E-voting"**) in the manner provided below during the e-voting period as mentioned below in Para 6(A)(I).

(ii) At the venue of AGM, voting shall be done through ballot papers (**"Ballot Paper"**) and the members attending AGM who have not casted their vote by Remote E-voting shall be entitled to cast their vote through Ballot Paper.

(iii) A Member may participate in the AGM even after exercising his right to vote through Remote E-voting but shall not be allowed to vote again at the venue of the AGM. If a Member casts votes through Remote E-voting and also at the AGM, then voting done through Remote E-voting shall prevail and voting done at the AGM shall be treated as invalid.

**(A) Voting Through Electronic Means**

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

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

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

(i) The voting period begins on Monday, September 27, 2021 (10:00 a.m.) and ends on Wednesday, September 29, 2021 (05:00 p.m.). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of September 23, 2021 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

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

(iii) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to **all the Demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants**. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

(iv) In terms of SEBI circular **no. SEBI/HO/CFD/CMD/CIR/P/2020/242** dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in Demat mode are allowed to vote through their Demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their Demat accounts in order to access e-Voting facility.

Pursuant to above said SEBI Circular**,** Login method for e-Voting and joining virtual meetings **for Individual shareholders holding securities in Demat mode CDSL/NSDL** is given below:

| **Type of shareholders** | **Login Method** |
|---|---|
| Individual Shareholders holding securities in Demat mode with **CDSL** | 1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi.<br><br>2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly.<br><br>3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration<br><br>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page or click on https://evoting.cdslindia.com/Evoting/EvotingLogin The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers. |

| | |
|---|---|
| Individual Shareholders holding securities in demat mode with **NSDL** | 1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.<br><br>2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp<br><br>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. |
| Individual Shareholders (holding securities in demat mode) login through their **Depository Participants** | You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. |

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

| **Login type** | **Helpdesk details** |
|---|---|
| Individual Shareholders holding securities in Demat mode with **CDSL** | Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.comor contact at 022-23058738 and 22-23058542-43. |
| Individual Shareholders holding securities in Demat mode with **NSDL** | Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30 |

(v) Login method for e-Voting and joining virtual meetings for Physical shareholders and shareholders other than individual holding in Demat form.

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

2) Click on "Shareholders" module.

3) 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. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.

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

5) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.

6) If you are a first-time user follow the steps given below:

| | **For Physical shareholders and other than individual shareholders holding shares in Demat.** |
|---|---|
| **PAN** | Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)<br>• Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA. |
| **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.<br>• 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. |

(vi) After entering these details appropriately, click on "SUBMIT" tab.

(vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders 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.

(viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(ix) Click on the EVSN for the relevant <Company Name> on which you choose to vote.

(x) 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.

(xi) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xii) 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.

(xiii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xiv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

(xv) 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.

(xvi) **Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.
- 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.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; indiafinsec@gmail.com, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

**PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES**

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to **Company/RTA email id**.

2. For Demat shareholders - Please update your email id & mobile no. with your respective Depository Participant (DP)

3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 022-23058542/43.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL, ) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.

**User ID and Password for the members who became Members after dispatch of AGM notice:** Persons who have acquired shares and became members of the Company after the dispatch of the notice of AGM but before the cut-off date of **September 23, 2021**, may obtain their user ID and password for e-voting from the Company's Registrar and Share Transfer Agent or CDSL.

**(II) Voting Through Ballot Paper**

Members who have not exercised the option of Remote E-voting shall be entitled to participate and vote at the venue of the AGM on the date of the AGM i.e. **Thursday, September 30, 2021**. Voting at the venue of AGM shall be done through Ballot Papers and Members attending the AGM shall be able to exercise their voting rights at the meeting through Ballot Papers. After the agenda item has been discussed, the Chairman will instruct the Scrutinizer to initiate the process of voting on all the resolutions through Ballot Papers.

The Ballot Paper/s will be issued to the Shareholders/Proxy holders/Authorized Representatives present at the AGM. The Shareholders may exercise their right of vote by tick marking as (✓) against "FOR" or "AGAINST" as his/her choice may be, on the agenda item in the Ballot Paper and drop the same in the Ballot Box(es) kept at the meeting hall for this purpose.

**7. Scrutinizer**

(i) Mr. Manish Kumar, Company Secretary in Practice (M. No. A43111, COP No. 15931), having consented to act as a scrutinizer has been appointed as scrutinizer ("**Scrutinizer**") for scrutinizing the voting process (Ballot Paper as well as Remote E-voting) in a fair and transparent manner.

(ii) The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast at the AGM by Ballot Papers and thereafter unblock the votes casted through e-voting in the presence of at least two witnesses not in the employment of the Company. The Scrutinizer shall, within a period not later than forty eight hours from the conclusion of the AGM, prepare and present a consolidated report of the total votes cast in favour or against, if any, to the Chairman of the Company or a person authorised by him in writing who shall countersign the same.

**8 Declaration of Results**

Based on the Scrutinizer's Report, the Company will submit within **48** hours of the conclusion of the AGM to the Stock Exchanges, details of the voting results as required under Regulation **44**(3) of the Listing Regulations. The results declared along with the Scrutinizer's Report, will be posted on the website of the Company at www.indiafinsec.com and on the website of CDSL immediately after the declaration of the result by the Chairman or any person authorised by him in writing and communicated to the Stock Exchanges.

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

**10.** The Members are requested to inform of any change in their addresses, name, bank details, National Electronic Clearing Service (NECS), Electronic Clearing Service (ECS), mandates, nominations, e-mail address, contact numbers, etc., for providing efficient and better services immediately to:

(i) Registrar and Share Transfer Agents (R&T Agents) in case of shares held in Physical Form or

(ii) Depository Participants in case of shares held in Electronic Form

**11.** Details as per Regulation 36(3) of Listing Regulations Clause 1.2.5 of the SS-2, in respect of the Directors seeking appointment/ re- appointment at the Annual General Meeting attached as **Annexure –I** , forms integral part of the notice.

**12. Nomination**

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

**13. Dematerialization**

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

**14. Other Information**

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

***EXPLANATORY STATEMENT***
***(Pursuant to section 102(1) of the Companies, Act, 2013)***

**Item No.3**

**Mr. Devi Dass Agarwal (DIN: 09152596)** was appointed as an additional director in the category of Non-Executive Independent Director on the Board of the Company with effect from 1st July, 2021 to hold office only up to the date of the ensuing Annual General Meeting.

The Company has received a notice pursuant to Section 160 of the Companies Act, 2013 (the "Act") from a Member signifying his intention to propose the candidature of Mr. Devi Dass Agarwal as an Independent Director of the Company.

Mr. Devi Dass Agarwal not being disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director. Section 149 of the Act inter alia stipulates the criteria of independence for appointment of an Independent Director on the Company's Board. An Independent Director can hold office for a term up to 5 (five) consecutive years on the Board of the Company and he shall not be included in the total number of directors liable to retire by rotation.

The Company has received a declaration from Mr. Devi Dass Agarwal that he meets the criteria of independence as prescribed both under subsection (6) of Section 149 of the Act and SEBI Listing Regulations 2015.

In the opinion of the Board, Mr. Devi Dass Agarwal, fulfills the conditions for his appointment as an Independent Director as specified in the Act, the Rules made there under and SEBI Listing Regulations 2015.

A copy of the draft letter of appointment of Mr. Devi Dass Agarwal, as an Independent Director setting out the terms and conditions is available for inspection by the Members at the registered office of the Company on all working days (except Saturdays, Sundays and Public Holidays) between 10:00 am to 12:00 pm up to the date of the AGM.

The Board considers that, the appointment of Mr. Devi Dass Agarwal, as Independent Director, is in the interest of the Company and recommends the Resolution for your approval as Ordinary Resolution.

None of the Directors, Key Managerial Personnel and their relatives other than Mr. Devi Dass Agarwal and his relatives are concerned or interested in the said resolution. The resolution as set out in Item no. 3 of this Notice is accordingly commended for your approval.

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

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

**Date:** 04.09.2021
**Place:** New Delhi

***Annexure I to the Notice***

***Additional Information of Director seeking re-appointment at the 27th Annual General Meeting pursuant to Secretarial Standards and Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:***

| **Name of the Director** | Mr. Gopal Bansal | Mr. Devi Dass Agarwal |
|---|---|---|
| **Date of Birth** | 13.09.1975 | 15.01.1960 |
| **Qualifications** | Chartered Accountant | B.Com., LL.B and CAIIB. |
| **Remuneration last drawn (In Rupees)** | - | - |
| **Nature of his expertise in specific functional areas** | Finance and Taxation | Banking & Finance |
| **Brief Profile** | Mr. Gopal Bansal is the Managing Director & promoter of the company with specific Experience of more than 18 years in the field of finance & taxation, portfolio management, treasury management, finance product designing, business takeovers, mergers, corporate laws, assets restructuring & assets recovery. | Mr. Devi Dass Agarwal is a Commerce Graduate and LL.B, CAIIB, Diploma in Treasury, Investment & Risk Management from Indian Institute of Banking & Finance (IIBF), Mumbai. He retired from Central Bank of India as Assistant General Manager (AGM) in January 2020 and having 39 years of experience in the field of Banking and Finance |
| **Name of other Public Companies in which the person holds the Directorships** | IFL Housing Finance Limited<br>IFL Enterprises Limited | IFL Housing Finance Limited |
| **Name of the Public Companies in which the person holds the Memberships of committees of the Board** | IFL Housing Finance Limited<br>IFL Enterprises Limited | Nil |
| **Shareholding in the Company (Equity)** | 41,65,746 equity shares (16.70%) as on March 31, 2021 | Nil |
| **Relationship with other Directors/Manager/Key Managerial Personnel** | Nil | Nil |
| **Number of Board Meetings attended during the FY 2020-21** | 9 | Nil |

# *BOARD REPORT*

**To,**
**The Members,**

Your Directors are pleased to present the Company's 27th Annual Report on the business & operations of the Company and Audited Statement of Accounts Statements (Standalone & Consolidated) for the year ended 31st March 2021 along with the Auditor's Report thereon.

## COMPANY BACKGROUND

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

## FINANCIAL PERFOMANCE

| Particulars | Financial year ended (Rs. In '000') | | | |
|---|---|---|---|---|
| | Standalone | | Consolidated | |
| | March 31, 2021 | March 31, 2020 | March 31, 2021 | March 31, 2021 |
| Total Income | 10,712.95 | 29,339.20 | 1,82,500.70 | 181,063.98 |
| Total Expenditure | 10,305.02 | 44,147.56 | 1,21,196.05 | 141,283.91 |
| Profit/(Loss) before tax | 407.93 | -14,808.36 | 61,335.95 | 39,780.07 |
| Profit/(Loss) after tax | 460.03 | -14,872.09 | 47,194.13 | 27,481.06 |
| Paid- up Share Capital | 249,417.15 | 249,417.15 | 249,417.15 | 249,417.15 |

## STATE OF COMPANY'S AFFAIRS/BUSINESS OVERVIEW

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

During the financial year 2020-21, total revenue on standalone basis has been decreased to Rs. 1,07,12,950 as against Rs. 2,93,39,200 in the previous year registering a decline of 63.48%. However, the group registered a Profit of Rs. 4,60,030/- in current year as against a net Loss of Rs. 1,48,72,090 in the previous year.

On a consolidated basis, the group achieved revenue of Rs. 18,25,00,700 as against Rs. 18,10,63,980 during the previous year, registering a growth of 0.79%. The Profit after Tax for the current year is Rs. 4,71,94,130 as against the previous year profit of Rs. 2,74,81,060 registering a growth of 71.73%.

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

## DIVIDEND

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

## TRANSFER TO RESERVES

In terms of Section 45-IC of the RBI Act 1934, the Company registered as NBFC with RBI is required to transfer at least 20% of its Profit after tax to a Reserve Fund before dividend is declared. As at the year end, an amount of Rs. 92,000 has transferred to the Reserve Fund.

## CHANGES IN THE NATURE OF BUSINESS

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

**MATERIAL CHANGES AND COMMITMENTS**

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

**DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS**

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory and secretarial auditors and the reviews performed by management and the relevant board committees, including the audit committee, the board is of the opinion that the Company's internal financial controls were adequate and effective during the financial year 2020-21.The details in respect of internal financial control and their adequacy are included in the Management Discussion & Analysis, which forms part of this report.

**PUBLIC DEPOSITS**

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

**AUDITORS**

**STATUTORY AUDITOR**

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

**Auditor's Report**

The Auditor's Report for Financial Year Ended March 31, 2021 is unmodified i.e. does not contain any qualification, reservation or adverse remarks. All Observations made in the Independent Auditors' Report and Notes forming part of the Financial Statements are self-explanatory and do not call for any further comments and also, there is no incident of fraud requiring reporting by the auditors under section 143(12) of the Companies Act, 2013 during the year. The Auditor's report is enclosed with the financial statements in this Auditor's Report.

**SECRETARIAL AUDITOR AND SECRETARIAL AUDIT REPORT**

Pursuant to the provisions of Section 204 of the Act, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of the SEBI Listing Regulations, the Company had appointed Ms. Megha Sharan, Practicing Company Secretary (Membership No.: F9802; Certificate of Practice No.: 12171) to undertake the Secretarial Audit of the Company for FY 2020-21.

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

The Secretarial Audit Report is appended as **Annexure- I** to this Report. The Secretarial Auditor has given below observations in his report. In this regards, the reply of the Management has been given along with the Observation:

1- The Whole Time Member, SEBI has passed an Order No. WTM/AB/IVD/1D911010312020-21 dated January 15, 2021 under section 11(1). ll(4) and 11B of the SEBI. 1992, **in the matter of Pankaj Piyush Trade & Investments Ltd,** against the Company restraining from accessing the securities market and further prohibited from buying, selling or otherwise dealing in securities, directly or indirectly, or being associated with the securities market in any manner, whatsoever, for a period of eighteen (18) months, from the date of order.

**Management's Reply:** An appeal dated 22.02.2021 titled "India Finsec Limited Vs. The Whole Time Member, Securities and Exchange Board of India" has been filed by the Company before Securities Appellate Tribunal, Mumbai, challenging the above order.

**Secretarial Audit Report of Subsidiary Company**

The Secretarial Audit Report of M/s IFL Housing Finance Limited, subsidiary of India Finsec Limited, for the financial year ended March 31, 2021 does not contain any qualification, reservation or adverse remark. A copy of Secretarial Audit Report as provided by Company Secretary in Practice has been annexed with the Report. ***(Annexure-II)***

## INTERNAL AUDITOR

Pursuant to provisions of Section 138 read with rules made there under, the Board has appointed M/s Mukesh M Gupta & Associates, Chartered Accountants, as an Internal Auditor of the Company, to check the internal controls and functioning of the activities of the Company and also recommends way of improvement. They have provided Internal Audit Report of the Company for the financial year ended March 31, 2021. The Internal audit is carried out quarterly basis and the report is placed in the Audit Committee Meeting and Board Meeting for their consideration and direction. The Report does not contain any qualification, observation, reservation, adverse remark or disclaimer.

## MAINTENANCE OF COST RECORDS

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

## SHARE CAPITAL

As on 31st March, 2021, the Authorised share capital of the Company was Rs. 30,00,00,000 and the paid up equity share capital was Rs. 24,94,17,150/-. During the year under review:

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

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

### B. ISSUE OF SWEAT EQUITY SHARES

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

### C. ISSUE OF EMPLOYEE STOCK OPTIONS

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

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

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

### E. ISSUE OF SHARES ON PREFERENTIAL BASIS

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

## LISTING FEES

The Company has paid the Annual Listing Fees to the Bombay Stock Exchange Limited (BSE) for the financial year 2020-21.

## EXTRACT OF THE ANNUAL RETURN

The extract of Annual Return in Form MGT-9 as required under Section 92(3) and section 134(3)(a) of the Act and as prescribed in Rule12 of the Companies (Management and Administration) Rules, 2014, is enclosed as **Annexure-*III*** to this Report.

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

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

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

### A. CONSERVATION OF ENERGY

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

### B. TECHNOLOGY ABSORPTION

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

### C. FOREIGN EXCHANGE EARNINGS AND OUTGO

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

## POLICIES

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

- Policy on Preservation of Documents and Archives Management as per Regulation 9 and 30(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- Policy for Disclosure of events/ information and Determination of materiality as per Regulation 30(4)(ii) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- Policy on Materiality of Related Party Transactions as per Regulation 23(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- Risk Management Policy
- Policy for determining 'material' subsidiaries as per Regulation 16(1)(c) of the SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

## DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED

During the financial year 2020-21, no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.

## CORPORATE SOCIAL RESPONSIBILITY

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

## DIRECTORS AND KEY MANAGERIAL PERSONNEL

The Board of the Company was duly constituted in accordance with the provisions of the Companies Act, 2013. As on March 31, 2021, the Board of Director's consists of the following members:

| S. No. | Name of Director | Designation | DIN | Date of Appointment |
|---|---|---|---|---|
| 1 | Mr. Gopal Bansal | Managing Director | 01246420 | 20.04.2012 |
| 2 | Mr. Mukesh Sharma | Director | 00274217 | 18.12.2006 |
| 3 | Mr. Amit Kumar Agarwal* | Independent Director | 08768575 | 06.07.2020 |
| 4 | Ms. Purva Mangal | Independent Director | 02816099 | 30.09.2019 |
| 5 | Mrs. Charu Bansal# | Independent Director | 06632839 | 24.08.2020 |
| 6 | Ms. Himanshi Kashyap# | Independent Director | 07681277 | 24.08.2020 |

*Appointed as Independent Director w.e.f. 06.07.2020
#Appointed as Independent Director w.e.f 24.08.2020

**A. DIRECTORS**

**Executive Director**

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

The Shareholders at the 26th Annual General Meeting held on 30.09.2020, have approved the re-appointment of Mr. Gopal Bansal (DIN: 01246420) as Chairman and Managing Director of the Company for a period of 5 years w.e.f. 16.01.2021.

**Non-Executive Director**

During the financial year 2020-21, Mr. Mukesh Sharma (DIN: 00274217), Non-executive Director was liable to retire by rotation and being eligible had offered himself, for re-appointment before the shareholders at 26th Annual General Meeting ("AGM") of the Company. The shareholders confirmed his re-appointment at the 26th AGM of the Company.

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

The Shareholders at their meeting held on 30.09.2020, had approved the appointment of Mr. Amit Kumar Agarwal (DIN: 08768575) Ms. Charu Bansal (DIN: 06632839) and Ms. Himanshi Kashyap (DIN: 07681277) as an Independent Director on the Board of the Company w.e.f. July 06, 2020, August 24, 2020 and August 24, 2020 respectively.

Mr. Devi Dass Agarwal (DIN: 09152596) has been appointed as an Additional Director (Non-executive, Independent Director) of the Company w.e.f July 01, 2021. The Board, after considering the recommendations of Nomination and Remuneration Committee, recommends his appointment as a Non-Executive Independent Director of the Company, not liable to retire by rotation u/s 152 of the Companies Act, 2013, at the 27th AGM of the Company w.e.f. 01 July, 2021.

**B. CHIEF FINANCIAL OFFICER**

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

**C. COMPANY SECRETARY & COMPLIANCE OFFICER**

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

**DECLARATION BY THE INDEPENDENT DIRECTORS**

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

**FAMILIARIZATION PROGRAMME**

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

**FIT AND PROPER CRITERIA & CODE OF CONDUCT**

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

**PERFORMANCE EVALUATION**

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17(10) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board who were evaluated on parameters such as level of engagement and contribution and independence of judgment thereby safeguarding the interest of the Company.

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

**NUMBER OF MEETINGS OF THE BOARD**

The Board of Directors duly met **9 (Nine)** times during the year, in respect of which notices were given and the proceedings were recorded and signed. The intervening gap between any two meetings was within the period prescribed by the Companies Act, 2013.The details of Board meetings and the attendance of Directors in such meetings are given in the Corporate Governance Report forming part of this Annual Report.

**COMMITTEES AND THEIR MEETINGS**

**AUDIT COMMITTEE**

The Company has an Audit Committee comprising Mr. Amit Kumar Agarwal (Independent Director), Ms. Purva Mangal (Independent Director), Mr. Gopal Bansal (Managing Director) and Mr. Vijay Kumar Dwivedi (Secretary of the Audit Committee) as on March 31, 2021. The terms of reference of the Audit Committee inter-alia include overseeing financial reporting process, reviewing the financial statements and recommending appointment of Auditors. All the recommendations made by Audit Committee were accepted. The details of the Audit Committee and the attendance of its members are provided in the Corporate Governance Report.

During the year 6 (Six) Audit Committee Meetings were held for the Financial Year 2020-21.

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

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

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

**NOMINATION AND REMUNERATION COMMITTEE**

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

The Committee as on March 31, 2021 comprises of Mr. Amit Kumar Agarwal (Independent Director), Ms. Purva Mangal (Independent Director) and Mr. Mukesh Sharma (Non-Executive Director). The details of the Nomination and Remuneration Committee and the attendance of its members are provided in the Corporate Governance Report.

During the year 3 (Three) Nomination and Remuneration Meeting was held for the Financial Year 2020-20.

**Nomination and Remuneration Policy**

The policy of the Company on Directors' Appointment and Remuneration, including criteria for determining qualifications, positive attributes, independence of a director and other matters provided under Sub-section (3) of Section 178 of the Companies Act, 2013 is placed on the website of the Company i.e. www.indiafinsec.com and the details of Nomination and Remuneration Policy are covered in the Corporate Governance Report. It is hereby affirmed that the remuneration paid is as per Remuneration Policy of the Company. The Nomination & Remuneration Policy is attached with this report as an ***Annexure IV.***

**STAKEHOLDERS RELATIONSHIP COMMITTEE**

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

The Committee as on March 31, 2021 comprises of Mr. Amit Kumar Agarwal (Independent Director), Ms. Purva Mangal (Independent Director) and Mr. Gopal Bansal (Managing Director). The details of the Stakeholders Relationship Committee and the attendance of its members are provided in the Corporate Governance Report.

During the year 2 (Two) Stakeholders Relationship Committee Meetings were held for the Financial Year 2020-2.

**RISK MANAGEMENT COMMITTEE**

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

The Committee as on March 31, 2021 comprises of Mr. Amit Kumar Agarwal (Independent Director), Ms. Purva Mangal (Independent Director) and Mr. Gopal Bansal (Managing Director). The details of the Risk Management Committee and the attendance of its members are provided in the Corporate Governance Report.

During the year 1 (One) Risk Management Committee Meeting was held for the Financial Year 2020-21.

**RISK MANAGEMENT POLICY**

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

**DETAILS OF SUBSIDIARY/JOINT VENTURE/ ASSOCIATE COMPANIES**

During the year under review, we have one subsidiary company i.e. "IFL Housing Finance Limited". In accordance with Section 129(3) we have prepared the consolidated financial statements of the Company which forms part of this Annual Report.

During the year, IFL Housing Finance Limited reported revenue of Rs. 171,787, 748/- and profit after tax of Rs. 49,283,290/- as compared to revenue of Rs. 151,724,773/- and profit after tax of Rs. 40,445,126/- in the last year.

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

The performance and financial position of **"IFL Housing Finance Limited" (Subsidiary)** for the financial year 2020-21 are mentioned below:

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

**PARTICULARS OF LOANS, GUARANTEE OR INVESTMENTS**

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

**PARTICULARS OF CONTRACTS OR ARRANGMENTS WITH RELATED PARTIES**

The Company has entered into any contract and arrangements with related party and complied with the provisions of section 188 of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Details of Such Contracts and Arrangements are enclosed as ***Annexure-V*** in Form AOC-2.

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

**CORPORATE GOVERNANCE CERTIFICATE**

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

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

**PARTICULARS OF EMPLOYEES**

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

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

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

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

| Name of the Director/ and KMP | Designation | Remuneration (Rs. in Lac) 2020-21 | Increase (%) | Ratio of Director's Remuneration to Median remuneration including Managing Director |
|---|---|---|---|---|
| **Mr. Gopal Bansal** | Managing Director | 0.00 | Nil | 0 |
| **Mr. Manoj Kumar Gupta** | CFO | 9.60 | | 2.52 |
| **Ms. Varsha Bharti*** | Company Secretary | 0.00 | 0.00 | 0.00 |
| **Mr. Vijay Kumar Dwivedi#** | Company Secretary | 0.00 | 0.00 | 0.00 |

# No other directors are in receipt of remuneration except sitting fees.
*Resigned w.e.f May 06, 2020 # Appointed w.e.f. 06.07.2020.

2. Median remuneration of employees of the Company including Managing Director are Rs. 3,81,310/-for the financial year 2020-21.

3. The Percentage increase in median remuneration of employees (including Managing Director) is Nil.

4. Number of permanent employees on the rolls of the Company: 5 (As at March 31, 2021).

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

(B) Statement of particulars of employees pursuant to Rule 5((2) Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 – N.A.

(C) Statement of particulars of employees pursuant to Rule 5(3) Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014- N.A.

**PREVENTION OF SEXUAL HARRASEMENT OF WOMEN AT WORKPLACE**

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

**DIRECTOR'S RESPONSIBILITY STATEMENT**

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

1) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
2) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2021 and of the profit of the Company for that period;
3) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4) the Directors have prepared the annual accounts on a going concern basis;

5) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and operating effectively; and
6) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws including applicable secretarial standards and that such systems were adequate and operating effectively.

**PREVENTION OF INSIDER TRADING**

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

**CODE OF CONDUCT**

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

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

**PRUDENTIAL NORMS & DIRECTIONS OF RBI FOR NBFCS**

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

**DISCLOSURE OF RELATIONSHIP BETWEEN DIRECTOR INTER –SE**

None of the Directors are related to each other.

**CAUTIONARY NOTE**

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

**SECRETARIAL STANDARDS**

The Company complies with all applicable secretarial standards.

**ACKNOWLEDGEMENT**

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

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

| | | |
|---|---|---|
| | **Gopal Bansal** | **Mukesh Sharma** |
| **Date: 04.09.2021** | **Managing Director** | **Director** |
| **Place: Delhi** | **DIN-01246420** | **DIN-00274217** |

***(Annexure-I)***

***SECRETARIAL AUDIT REPORT***
***(Form No. MR-3)***
***For the Financial Year Ended 31.03.2021***
***[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]***

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

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

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31/03/2021 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance- mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by **M/s India Finsec Limited** ("the Company") for the financial year ended on 31/03/2021 according to the provisions of:

**(i)** The Companies Act, 2013 (the Act) and the rules made thereunder;

**(ii)** The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

**(iii)** The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

**(iv)** (Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; **(Not applicable to the company during the Audit Period).**

**(v)** The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):

**(a)** The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

**(b)** The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;

**(c)** The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **(Not applicable to the company during the Audit Period).**

**(d)** The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; **(Not applicable to the company during the Audit Period).**

**(e)** The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not applicable to the company during the Audit Period).**

**(f)** The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

**(g)** The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not applicable to the company during the Audit Period).**

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

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

(i) Secretarial Standards issued by The Institute of Company Secretaries of India (ICSI) and notified by Central Government.

(ii) The Listing Agreements ["Listing Regulations" as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015] entered into by the Company with BSE Limited

During the audit period the Company has complied with the provisions of the Act, Rules, Regulations and Guidelines, Standards etc.

**We further report that**

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

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

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

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

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

During the Financial Year 2020-21, there has been change in the composition of Board of Directors, i.e. Mr. Amit Kumar Agarwal (DIN: 08768575 ), Ms. Himanshi Kashyap (DIN:07681277 ) and Mrs. Charu Bansal (DIN: 06632839) have been appointed as Independent Directors of the Company w.e.f. July 06, 2020, August 24, 2020 and August 24, 2020 respectively. Mr. Saurabh Chhabra (DIN: 00172495) has resigned as Independent Directors of the Company w.e.f. July 06, 2020.

The Whole Time Member, SEBI has passed an Order No. WTM/AB/IVD/1D911010312020-21 dated January 15, 2021 under section 11(1), 11(4) and 11B of the SEBI. 1992, **in the matter of Pankaj Piyush Trade & Investments Ltd,** against the Company restraining from accessing the securities market and further prohibited from buying, selling or otherwise dealing in securities, directly or indirectly, or being associated with the securities market in any manner, whatsoever, for a period of eighteen (18) months, from the date of order.

**For & on behalf of VMS & Co.**

**Sd/-**

**Megha Sharan**

**Company Secretary in Practice**

**M. No.: F9802**

**C P No.: 12171**

**Date: 04.09.2021**

**Place: New Delhi**

**UDIN: F009802C000899680**

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

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

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

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.

4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.

6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

**For & on behalf of VMS & Co.**

**Sd/-**

**Megha Sharan**

**Company Secretary in Practice**

**M. No.: F9802**

**C P No.: 12171**

**Date: 04.09.2021**

**Place: New Delhi**

**UDIN: F009802C000899680**

***(Annexure-II)***

***SECRETARIAL AUDIT REPORT***
***Form No. MR-3***
***For The Financial Year Ended 31.03.2021***
***[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,**
**IFL Housing Finance Limited**
**D-16, First Floor, Above ICICI Bank,**
**Prashant Vihar, Sector-14, Rohini,**
**New Delhi-110085**

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

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2020 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by **M/s IFL Housing Finance Limited** ("the Company") for the financial year ended on **31st March, 2021** according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv)Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; **(Not applicable to the company during the Audit Period).**

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act');

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; **(Not applicable to the company during the Audit Period).**

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; **(Not applicable to the company during the Audit Period).**

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **(Not applicable to the company during the Audit Period).**

(d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulation, 2014; **(Not applicable to the company during the Audit Period).**

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not applicable to the company during the Audit Period).**

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not applicable to the company during the Audit Period).**

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

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

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

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

(iii) Housing Finance Companies (NHB) Directions.

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

**We further report that**

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

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

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

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

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

1. During the Financial Year 2020-21, there has been change in the composition of Board of Directors, i.e. Mr. Amit Kumar Agarwal (DIN: 08768575) and Mrs. Charu Bansal (DIN:06632839) have been appointed as Independent Director of the Company w.e.f. 8th July, 2020.

2. During the Financial Year, 2020-21, The Company has allotted 45,45,000 (Forty Five Lakhs Forty Five Thousand) equity shares (Face Value of Rs.10/- each) at premium of Rs. 1.00/- each to the applicants from whom the Company has received the share application money through direct application or through renounces aggregating to Rs. 4,99,95,000 (Rupees Four Crores Ninety None Lakhs Ninety Five Thousand Only).

**For & on behalf of VMS & Co.**

**Sd/-**

**Megha Sharan**

**Company Secretary in Practice**

**M. No.: F9802**

**Date: 04.09.2021**

**Place: New Delhi**

**UDIN: F009802C000899845** **C P No.: 12171**

***'Annexure -A'***

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

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

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.

4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.

6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

**For & on behalf of VMS & Co.**

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

**Date: 04.09.2021**
**Place: New Delhi**
**UDIN: F009802C000899845**

*(Annexure-III)*

## *Form No. MGT-9*
## *Extract of Annual Return as on the financial year ended on 31.03.2021*
## *[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]*

### I. REGISTRATION & OTHER DETAILS:

| | | |
|---|---|---|
| i. | **CIN** | L65923DL1994PLC060827 |
| ii. | **Registration Date** | 10.08.1994 |
| iii. | **Name of the Company** | India Finsec Limited |
| iv. | **Category/Sub-Category of the Company** | Company Limited by Shares/Indian Non-Government Company |
| v. | **Address of the Registered office and contact details** | D-16, First Floor, Above ICICI Bank, Prashant Vihar, Sector-14, Rohini, New Delhi-110085<br>Telephone No.- 8595010101/011-45805612<br>Email:-indiafinsec@gmail.com<br>Website:-www.indiafinsec.com |
| vi. | **Whether listed company** | Yes (Listed at BSE Limited) |
| vii. | **Name, Address and Contact details of Registrar and Transfer Agent, if any** | M/s Skyline Financial Services Private Limited<br>D-153A, First Floor, Okhla Industrial Area,Phase-1, New Delhi-110020<br>Telephone No. 011- 011-26812682, 83, 011-64732681 to 88<br>Website- www.skylinerta.com |

### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

| Sr. No. | Name and Description of main products/ services | NIC Code of the Product/ service | % to total turnover of the company |
|---|---|---|---|
| 1 | Providing Finance (Long & Short Term) | 64920 | 86 |
| 2 | Dealing in Shares & Securities | 64920 | 14 |

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

| Sr. No. | Name And Address Of The Company | CIN/GLN | Holding/ Subsidiary/ Associate | % of shares held | Applicable Section |
|---|---|---|---|---|---|
| 1. | **IFL Housing Finance Limited**<br>D-16, First Floor, Above ICICI Bank, Prashant Vihar, Sector-14, Rohini, New Delhi-110085 | U67100DL2009PLC186958 | Subsidiary | 72.91% | 2(87) |

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

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

| Category of Shareholders | No. of Shares held at the beginning of the year (01.04.2020) | | | | No. of Shares held at the end of the year (31.03.2021) | | | | % Change during the year |
|---|---|---|---|---|---|---|---|---|---|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| **A. Promoter** | | | | | | | | | |
| ***1) Indian*** | | | | | | | | | |
| a) Individual/ HUF | 6142536 | 0 | 6142536 | 24.63 | 6994536 | 0 | 6994536 | 28.04 | 3.41 |
| b) Central Govt. | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| c) State Govt(s) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| d) Bodies Corp | 4537050 | 0 | 4537050 | 18.19 | 4537050 | 0 | 4537050 | 18.19 | 0 |
| e) Banks / FI | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| f) Any Other (HUF) | 0 | 0 | 0 | 0 | 395000 | 0 | 395000 | 1.58 | 1.58 |
| **Subtotal(A)(1):-** | **10679586** | **0** | **10679586** | **42.82** | **11926586** | | **11926586** | **47.81** | **4.99** |
| ***2) Foreign*** | | | | | | | | | |
| g) NRIs-Individuals | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| h) Other-Individuals | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| i) Bodies Corp. | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| j) Banks / FI | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| k) Any Other…. | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Sub-total(A)(2):- | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **Total Shareholding of Promoter (A)=(A)(1)+(A)(2)** | **10679586** | **0** | **10679586** | **42.82** | **11926586** | | **11926586** | **47.82** | **5** |
| **B. Public Shareholding** | | | | | | | | | |
| **1. *Institutions*** | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| a) Mutual Funds | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| b) Banks / FI | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| c) Central Govt | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| d) State Govt(s) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| e) Venture Capital Funds | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| f) Insurance Companies | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| g) FIIs | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| h) Foreign Venture Capital Funds | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| i) Others (specify) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Sub-total (B)(1) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **2. Non Institutions** | | | | | | | | | |
| a) Bodies Corp. (i) Indian | 1834810 | 2751650 | 4586460 | 18.39 | 1567475 | 1771650 | 3339125 | 13.39 | -5 |
| (ii) Overseas | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| b) Individuals<br><br>(i) Individual shareholders holding nominal share capital upto Rs. 1 Lakh on 31.03.2021 | 733818 | 1 | 733819 | 2.94 | 720566 | 1 | 720567 | 2.89 | -0.5 |
| (ii) Individual shareholders holding nominal share capital in excess of Rs. 1 Lakh on 31.03.2021 | 7615577 | 479750 | 8095327 | 32.46 | 7685772 | 479750 | 8165522 | 32.74 | 0.28 |
| c) Others<br>**a) HUF**<br>**b) Clearing Members** | 846523<br>10 | 0<br>0 | 846523<br>10 | 3.39<br>0 | 789915<br>10 | 0<br>0 | 789915<br>10 | 3.17<br>0 | -0.22<br>0 |
| **Sub-total(B)(2)** | 11030729 | 3231401 | 14262129 | 57.18 | 10763728 | 2251401 | 13015129 | 52.19 | -4.99 |
| **Total Public Shareholding (B)=(B)(1)+(B)(2)** | 11030729 | 3231401 | 14262129 | 57.18 | 10763728 | 2251401 | 13015129 | 52.19 | -4.99 |
| C. Shares held by Custodian for GDRs &ADRs | **0** | **0** | **0** | 0 | **0** | **0** | **0** | **0** | 0 |
| **Grand Total(A+B+C)** | **21710314** | **3231401** | **24941715** | **100** | **22690314** | **2251401** | **24941715** | **100** | **0** |

**(ii) Shareholding of Promoters**

| Sr. No | Shareholder's Name | Shareholding at the beginning of the year (01.04.2020) | | | Shareholding at the end of the year (31.03.2021) | | | % change in shareholding during the year |
|---|---|---|---|---|---|---|---|---|
| | | No. of Shares | % of total Shares of the company | %of Shares Pledged / encumbered to total shares | No. of Shares | % of total Shares of the company | %of Shares Pledged / encumbered to total shares | |
| 1. | Fidelo Foods Pvt. Ltd. | 4537050 | 18.19 | 0 | 4537050 | 18.19 | 0 | 0 |
| 2. | Mukesh Sharma | 1292540 | 5.18 | 0 | 1292540 | 5.18 | 0 | 0 |
| 3. | Gopal Bansal | 3533741 | 14.17 | 0 | 4015741 | 16.10 | 0 | 1.93 |
| 4. | Damodar Sharma | 82250 | 0.33 | 0 | 82250 | 0.33 | 0 | 0 |
| 5. | Manoj Sharma | 678475 | 2.72 | 0 | 678475 | 2.72 | 0 | 0 |
| 6. | Sunita Bansal | 555530 | 2.23 | 0 | 925530 | 3.71 | 0 | +1.48 |
| 7. | Gopal Bansal HUF (Promoter Group) | 0 | 0 | 0 | 395000 | 1.58 | 0 | +1.58 |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Total | 10679586 | 42.82 | 0 | 11926586 | 47.82 | 0 | +4.99 |

(iii) Change in Promoters' Shareholding (please specify, If there is no change)

| Sr. no 1. | Fidelo Foods Private Limited(Promoter) | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|---|---|---|---|---|---|
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| | At the beginning of the year | 4537050 | 18.19 | 4537050 | 18.19 |
| | Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc): | 0 | 0 | 0 | 0 |
| | At the End of the year | 4537050 | 18.19 | 4537050 | 18.19 |
| Sr. no 2 | Mukesh Sharma (Promoter) | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
| 2 | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| | At the beginning of the year | 1292540 | 5.18 | 1292540 | 5.18 |
| | Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc): | 0 | 0 | 0 | 0 |
| | At the End of the year | 1292540 | 5.18 | 1292540 | 5.18 |
| Sr. no 3. | Gopal Bansal (Promoter) | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| | At the beginning of the year | 3533741 | 14.17 | 3533741 | 14.17 |
| | Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc): | 14.08.2020 Purchase of 482000) | 1.93 | 482000 | 1.93 |
| | At the End of the year | 3533741 | 14.17 | 4015741 | 16.10 |
| Sr. no 4. | Damodar Sharma(Promoter) | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |

| | | | | | |
|---|---|---|---|---|---|
| | At the beginning of the year | 82250 | 0.33 | 82250 | 0.33 |
| | Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc): | 0 | 0 | 0 | 0 |
| | At the End of the year | 82250 | 0.33 | 82250 | 0.33 |
| Sr. no 5. | Manoj Sharma(Promoter) | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| | At the beginning of the year | 678475 | 2.72 | 678475 | 2.72 |
| | Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc): | 0 | 0 | 0 | 0 |
| | At the End of the year | 678475 | 2.72 | 678475 | 2.72 |
| Sr. no 6. | Sunita Bansal (Promoter Group) | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| | At the beginning of the year | 555530 | 2.23 | 555530 | 2.23 |
| | Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc): | 07.08.200 purchase of 370000 | 1.48 | 370000 | 1.48 |
| | At the End of the year | 555530 | 2.23 | 925530 | 3.71 |
| Sr. no 7. | Gopal Bansal HUF (Promoter Group) | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| | At the beginning of the year | 0 | 0 | 0 | 0 |
| | Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc): | 07.08.2020 purchase of 395000 | 1.58 | 395000 | 1.58 |
| | At the End of the year | 0 | 0 | 395000 | 1.58 |

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

| Sr. no | Name of Shareholder | Shareholding at the beginning of the year (as on 01.04.2020) | | Date | Increase/ Decrease in share-holding | Reason | Cumulative Shareholding during the year (01.04.2020-31.03.2021) | |
|---|---|---|---|---|---|---|---|---|
| | | No. of shares at the beginning (01-04-2020/ end of the year (31-03-2021) | % of total shares of the company | | | | No. of shares | % of total shares of the company |
| 1 | Veer Hanuman Private Limited | 980000 | 3.93 | 01.04.2020 | - | - | - | - |
| | | | | | - | - | - | - |
| | | 980000 | 3.93 | 31.03.2021 | | | | |
| 2 | Your template box Web Services Pvt. Ltd | 770400 | 3.09 | 01.04.2020 | - | - | - | - |
| | | | | | - | - | - | - |
| | | 770400 | 3.09 | 31.03.2021 | - | - | - | - |
| 3 | Venus Buildestates Pvt. Ltd. | 739250 | 2.96 | 01.04.2020 | - | - | - | - |
| | | 739250 | 2.96 | 31.03.2021 | - | - | - | - |
| 4 | Nisha Agarwal | 621500 | 2.49 | 01.04.2020 | - | - | - | - |
| | | | | - | - | - | - | |
| | | 621500 | 2.49 | 31.03.2021 | - | - | - | - |
| 5 | Radhey Kishan | 560841 | 2.25 | 01.04.2020 | - | - | - | - |
| | | | | 31.03.2021 | 60000 | Purchase | 620841 | 2.41 |
| | | 620841 | 2.41 | 31.03.2021 | - | - | - | - |
| 6 | Naveen Kumar Gupta | 516343 | 2.07 | 01.04.2020 | - | - | - | - |
| | | | | - | - | - | - | |
| | | 516343 | 2.07 | 31.03.2021 | - | - | - | - |
| 7 | Kailash Chand Jangid | 445506 | 1.79 | 01.04.2020 | | | | |
| | | | | - | - | - | - | - |
| | | 445506 | 1.79 | 31.03.2021 | | | | |
| 8 | Sushil Kumar Gupta | 444605 | 1.78 | 01.04.2020 | | | | |
| | | | | | | | | |
| | | 444605 | 1.78 | 31.03.2021 | | | | |
| 9 | Sanjay Kumar Sharma | 431501 | 1.73 | 01.04.2020 | | | | |
| | | | | - | - | - | - | - |
| | | 431501 | 1.73 | 31.03.2021 | | | | |
| 10 | Tia Enterprises Pvt. Ltd. | 665989 | 2.67 | 01.04.2020 | | | | |
| | | | | 07.08.2020 | 665989 | Sale | 0 | 0 |
| | | 0 | 0 | 31.03.2021 | | | | |

**(v) Shareholding of Directors and Key Managerial Personnel**

| Sr. No | For Each of the Directors and KMP | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|---|---|---|---|---|---|
| 1 | Mr. Gopal Bansal Managing Director | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |

| | | | | | |
|---|---|---|---|---|---|
| | At the beginning of the year | 3533741 | 14.17 | 3533741 | 14.17 |
| | Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/ sweat equity etc): | 14.08.2020 Purchase of 482000) | 1.93 | 482000 | 1.93 |
| | At the End of the year | 3533741 | 14.17 | 4015741 | 16.10 |
| 2 | Mr. Mukesh Sharma Director | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| | At the beginning of the year | 1292540 | 5.18 | 1292540 | 5.18 |
| | Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc): | 0 | 0 | 0 | 0 |
| | At the End of the year | 1292540 | 5.18 | 1292540 | 5.18 |
| 3 | Ms. Charu Bansal Independent Director** | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| | At the beginning of the year | 0 | 0 | 0 | 0 |
| | Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc): | 0 | 0 | 0 | 0 |
| | At the End of the year | 0 | 0 | 0 | 0 |
| 4. | Ms. Himanshi Kashyap Independent Director** | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |

| | | | | | |
|---|---|---|---|---|---|
| | At the beginning of the year | 0 | 0 | 0 | 0 |
| | Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc): | 0 | 0 | 0 | 0 |
| | At the End of the year | 0 | 0 | 0 | 0 |
| 5 | Mr. Vijay Kumar Dwivedi Company Secretary | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| | At the beginning of the year | 0 | 0 | 0 | 0 |
| | Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc): | 0 | 0 | 0 | 0 |
| | At the End of the year | 0 | 0 | 0 | 0 |
| 6. | Ms. Varsha Bharti Company Secretary# | Shareholding at the beginning of the year | | Cumulative Shareholding during the year Shareholding at the beginning of the year | |
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| | At the beginning of the year | 0 | 0 | 0 | 0 |
| | Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc): | 0 | 0 | 0 | 0 |
| | At the End of the year | 0 | 0 | 0 | 0 |
| 7 | Mr. Manoj Kumar Gupta CFO | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| | At the beginning of the year | 1000 | 0.004 | 1000 | 0.004 |

| | | | | | |
|---|---|---|---|---|---|
| | Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc) | | | | |
| | At the End of the year | 0 | 0 | 0 | 0 |
| 8 | Ms. Purva Mangal (Independent Director) | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| | At the beginning of the year | 0 | 0 | 0 | 0 |
| | Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc): | 0 | 0 | 0 | 0 |
| | At the End of the year | 0 | 0 | 0 | 0 |
| 9 | Mr. Amit Kumar Agarwal (Independent Director)* | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| | At the beginning of the year | 0 | 0 | 0 | 0 |
| | Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc): | 0 | 0 | 0 | 0 |
| | At the End of the year | 36750 | 0.15 | 36750 | 0.15 |
| 10 | Mr. Saurabh Chhabra (Independent Director)## | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| | At the beginning of the year | 0 | 0 | 0 | 0 |

| | | | | | |
|---|---|---|---|---|---|
| | **Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc):** | 0 | 0 | 0 | 0 |
| | **At the End of the year** | 0 | 0 | 0 | 0 |

*Appointed as Independent Director W.e.f. 06.07.2020
#Ceased as Company Secretary and Compliance Officer W.e.f. 06.05.2020
##Ceased as Independent Director w.e.f. 06.07.2020
**Appointed as Independent Director w.e.f. 24.08.2020

## V. INDEBTEDNESS

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

| | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|---|---|---|---|---|
| **Indebtedness at the beginning of the financial year** | | | | |
| **i) Principal Amount** | 0 | 93,74,000 | 0 | 93,74,000 |
| **ii) Interest due but not paid** | 0 | 0 | 0 | 0 |
| **iii) Interest accrued but not due** | 0 | 0 | 0 | 0 |
| **Total (i+ii+iii)** | **0** | **93,74,000** | **0** | **93,74,000** |
| **Change in Indebtedness during the financial year** | | | | |
| **- Addition** | 0 | 4,68,78,546 | 0 | 4,68,78,546 |
| **- Reduction** | 0 | 0 | 0 | 0 |
| **Net Change** | 0 | 4,68,78,546 | 0 | 4,68,78,546 |
| **Indebtedness at the end of the financial year** | | | | |
| **i) Principal Amount** | 0 | 4,68,87,920 | 0 | 4,68,87,920 |
| **ii) Interest due but not paid** | 0 | 0 | 0 | 0 |
| **iii) Interest accrued but not due** | 0 | 0 | 0 | 0 |
| **Total (i+ii+iii)** | **0** | **4,68,87,920** | **0** | **4,68,87,920** |

## V. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

| Sl. No. | Particulars of Remuneration | Name of MD/WTD/ Manager | Total Amount |
|---|---|---|---|
| | | Mr. Gopal Bansal | |
| 1. | Gross Salary<br><br>(a)Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961<br>(b)Value of perquisites u/s17(2) of the Income-taxAct,1961<br>(c)Profits in lieu of salary undersection17(3) of the Income- taxAct,1961 | 0<br><br>0<br>0 | 0<br><br>0<br>0 |
| 2. | Stock Option | 0 | 0 |
| 3. | Sweat Equity | 0 | 0 |
| 4. | Commission<br>- as % of profit<br>- Others, specify… | 0<br>0 | 0<br>0 |
| 5. | Others, please specify | 0 | 0 |
| 6. | Total(A) | 0 | 0 |
| | Ceiling as per the Act | NA | |

B. Remuneration to other directors:

| Sl. No. | Particulars of Remuneration | Name of Directors | | | | | | Total Amount |
|---|---|---|---|---|---|---|---|---|
| | | Mr. Amit Kumar Agarwal* | Ms. Himanshi Kashyap** | Ms. Charu Bansal ** | Mukesh Sharma | Ms. Purva Mangal | Mr. Saurabh Chhabra# | |
| | Independent Directors<br>·Fee for attending board/committee meetings | 0 | 0 | 0 | 0 | 0 | 3000 | 3000 |
| | ·Commission | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | ·Others, please specify | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | Total(1) | 0 | 0 | 0 | 0 | 0 | 3000 | 3000 |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Other Non-Executive Directors | | | | | | | |
| | ·Fee for attending board committee meetings | 0 | | 0 | 11000 | 0 | 0 | 11000 |
| | ·Commission | 0 | | 0 | 0 | 0 | 0 | 0 |
| | ·Others, please specify | 0 | | 0 | 0 | 0 | 0 | 0 |
| | Total(2) | 0 | | 0 | 11000 | 0 | 0 | 11000 |
| | Total(B)=(1+2) | 0 | | 0 | 11000 | 0 | 0 | 11000 |

***Appointed as Independent Director w.e.f. 06.07.2020**
****Appointed as Independent Director w.e.f. 24.08.2020**
**#Ceased as Independent Director w.e.f. 06.07.2020**

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

| Sl. No. | Particulars of Remuneration | Key Managerial Personnel | | | Total Amount |
|---|---|---|---|---|---|
| | | Ms. Varsha Bharti, Company Secretary# | Mr. Vijay Kumar Dwivedi* | Mr. Manoj Kumar Gupta, CFO | |
| 1. | Gross Salary<br>(a) Salary as per provisions contained in section17(1) of the Income-tax Act, 1961 | 0 | 0 | 960000 | 960000 |
| | (b)Value of perquisites u/s17(2) of Income-tax Act,1961 | 0 | 0 | 0 | 0 |
| | (c)Profits in lieu of salary undersection17(3)Income- taxAct,1961 | 0 | 0 | 0 | 0 |
| 2. | Stock Option | 0 | 0 | 0 | 0 |
| 3. | Sweat Equity | 0 | 0 | 0 | 0 |
| 4. | | | 0 | | |
| 5. | Commission<br>- as % of profit<br>- others, specify… | 0<br>0 | 0<br>0 | 0<br>0 | 0<br>0 |
| 6. | Others, please specify | 0 | 0 | 0 | 0 |
| | Total | 0 | 0 | 960000 | 960000 |

**#Ceased as Company Secretary & Compliance Officer w.e.f. 06.05.2020**
***Appointed as Company Secretary and compliance officer w.e.f. 06.07.2020**

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

| Type | Section of the companies Act | Brief description | Details of Penalty/ Punishment/ Compounding fees imposed | Authority [RD /NCLT/Court] | Appeal made. If any (give details) |
|---|---|---|---|---|---|
| **A. Company** | | | | | |
| Penalty | | | | | |
| Punishment | | | **NIL** | | |
| Compounding | | | | | |
| **B. Directors** | | | | | |
| Penalty | | | | | |
| Punishment | | | **NIL** | | |
| Compounding | | | | | |
| **C. Other Officers In Default** | | | | | |
| Penalty | | | | | |
| Punishment | | | **NIL** | | |
| Compounding | | | | | |

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

**Date: 04.09.2021**
**Place: Delhi**

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

**Mukesh Sharma**
**Director**
**DIN-00274217**

***(Annexure-IV)***

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

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

**Objectives**

This policy is framed with the following objectives:

- The remuneration of the Whole Time Directors/Executive Directors is fixed by the Remuneration Committee as constituted. The remuneration of Employees other than Whole-time Directors is approved by the Remuneration Committee based on recommendations made to it.
- To specifies remuneration packages for Whole-time Directors including pension rights and compensation payments.
- The Non-Executive Directors are not paid any remuneration. They are only entitled to sitting fees for attending Board and Committee Meetings.

- To formulate the criteria for determining qualifications, competencies, positive attributes and independence for appointment of a Director (Executive / Non-Executive) and recommend to the Board policies relating to the remuneration of the Directors, Key Managerial Personnel and other employees.

- The policy also addresses the following items:
  - Committee member qualifications;
  - Committee member appointment and removal;
  - Committee structure and operations; and
  - Committee reporting to the Board.

- To formulate the criteria for evaluation of performance of all the Directors on the Board;

**Constitution of Nomination and Remuneration Committee**

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

The Committee currently comprises of:-

| Name | Designation in Committee | Nature of Directorship |
|---|---|---|
| **Mr. Amit Kumar Agarwal** | Chairman | Non-Executive Independent Director |
| **Ms. Purva Mangal** | Member | Non-Executive Independent Director |
| **Mr. Mukesh Sharma** | Member | Non-Executive Director |

The Board reconstituted the Committee on 03.10.2019 and has the authority to reconstitute the Committee from time to time.

**Role and Powers of the Committee**

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

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

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

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

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

***Appointment criteria and qualifications***

- The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or senior management level and recommend to the Board his /her appointment.
- A person to be appointed as Director, KMP or senior management level should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion
- to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.
- The Company shall not appoint or continue the employment of any person as Managing Director / Executive Director/ Independent Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended at the discretion of the committee beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.
- A whole-time KMP of the Company shall not hold office in more than one company except in its subsidiary company at the same time. However, a whole-time KMP can be appointed as a Director in any company, with the permission of the Board of Directors of the Company.

- In case of Independent director shall ensure that he/she possess appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance , technical operations or other disciplines related to the company's business.

***Term/ Tenure***

- **Managing Director / Whole-time Director**

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

- **Independent Director**

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

  No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly. However, if a person who has already served as an Independent Director for five years or more in the Company as on April 1, 2014 or such other date as may be determined by the Committee as per regulatory requirement, he / she shall be eligible for appointment for one more term of five years only.

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

  ***Removal***

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

  ***Retirement***

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

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

- The remuneration / compensation / commission etc. to Directors will be determined by the Committee and recommended to the Board for approval.

- The remuneration and commission, if any, to be paid to the Directors, Managing Director and senior management shall be in accordance with the provisions of the Companies Act, 2013, and the rules made thereunder.

- Increments to the existing remuneration / compensation, structure may be recommended by the Committee to the Board which should be within the limits approved by the Shareholders in the case of Managing Director.

- Where any insurance is taken by the Company on behalf of its Managing Director, Chief Financial Officer, the Company Secretary and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not

be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

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

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

- The Remuneration/Compensation/Profit linked Incentive etc. to Directors, Managerial Personnel, KMP and Senior Management will be determined by the Committee and recommended to the Board for approval. The Remuneration / Compensation / Profit Linked Incentive etc. to be paid for Managerial Personnel shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.

- The remuneration and commission to be paid to Managerial Personnel shall be as per the statutory provisions of the Companies Act, 2013, and the rules made thereunder for the time being in force.

- Managerial Personnel, KMP and Senior Management shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee in accordance with the statutory provisions of the Companies Act, 2013, and the rules made thereunder for the time being in force.

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

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

- If any Managerial Personnel draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Companies Act, 2013 or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. f. Increments if declared to the existing remuneration / compensation structure shall be recommended by the Committee to the Board which should be within the limits approved by the Shareholders in the case of Managerial Personnel.

- Increments if declared will be effective from 1st April of each financial year in respect of Managerial Personnel,

- KMP, Senior Management subject to other necessary approvals from statutory authorities as may be required.

- Where any insurance is taken by the Company on behalf of its Managerial Personnel, KMP and Senior Management for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel.

**Increments**

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

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

- No monthly remuneration to be paid to Non-Executive/ Independent Director.

- The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed the maximum amount as provided in the Companies Act, 2013, per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

**Monitoring, Evaluation and Removal**

- ***Evaluation***

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

- ***Removal***

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

- ***Minutes of Committee Meeting***

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

**Policy Review**

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

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

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

**Disclosure**

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

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

**Gopal Bansal**
**Managing Director**

**Mukesh Sharma**
**Director**

*(Annexure – V)*

***Form AOC-1***

***(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)***

***Statement containing salient features of the financial statement of subsidiaries or associate companies or joint ventures***

**Part "A": Subsidiaries**

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

| Sl. No. | Particulars | Details |
|---|---|---|
| 1. | Name of the Subsidiary | IFL Housing Finance Limited |
| 2. | The date since when subsidiary was acquired | 27.12.2016 |
| 3. | Reporting period for the subsidiary concerned, if different from the holding company's reporting period | - |
| 4. | Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries | - |
| 5. | Share Capital | 576,030,000 |
| 6. | Reserves & Surplus | 109,263,578 |
| 7. | Total Assets | 928,357,083 |
| 8. | Total Liabilities | 479,050,591 |
| 9. | Investments | 103,615,012 |
| 10. | Turnover | 171,787,748 |
| 11. | Profit before taxation | 64,054,102 |
| 12. | Provision for taxation | (14,770,812) |
| 13. | Profit after taxation | 49,283,290 |
| 14. | Proposed Dividend | 0.00 |
| 15. | Extent of shareholding (in percentage) | 72.91 |

**Part "B": Associates and Joint Ventures**: N.A.

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

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

**For India Finsec Limited**

**Date: 04.09.2021**

**Place: New Delhi**

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

**Mukesh Sharma**
**Director**
**DIN-00274217**

*(Annexure-V)*

## *Form No. AOC-2*

***(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)***

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

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

| | |
|---|---|
| **(a) Name(s) of the related party and nature of relationship** | Not Applicable |
| **(b) Nature of contracts/arrangements/transactions** | |
| **(c)Duration of the contracts / arrangements/transactions** | |
| **(d)Salient terms of the contracts or arrangements or transactions including the value, if any** | |
| **(e) Justification for entering into such contracts or arrangements or transactions** | |
| **(f) date(s) of approval by the Board** | |
| **(g) Amount paid as advances, if any:** | |
| **(h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188** | |

**2. Details of material contracts or arrangement or transactions at arm's length basis**

| Name of related party and nature of relationship | Nature of contracts/ arrangements/transactions | Duration of contract | Salient Terms | Date of Approval by the Board | Amount (in INR) |
|---|---|---|---|---|---|
| **IFL Housing Finance Limited** | - | - | - | Nil | Nil |
| **Gopal Bansal, Managing Directors** | Loan Taken | - | - | 15.05.2020 | 32,40,1400 |
| | Loan Repaid | | | 15.05.2020 | 32,40,1400 |
| | Interest paid | | | 15.05.2020 | 40,140 |
| **Mukesh Sharma, Director** | Remuneration given | - | - | | - |
| | Sitting Fees | | | 30.05.2019 | 11,000 |
| **Mr. Manoj Kumar Gupta (CFO)** | Remuneration Given | - | - | 30.05.2019 | 9,60,000 |
| **Mr. Saurabh Chhabra** | Sitting Fees | - | - | 30.05.2019 | 3000 |

**For India Finsec Limited**

**Date: 04.09.2021**

**Place: New Delhi**

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

**Mukesh Sharma**
**Director**
**DIN-00274217**

# *MANAGEMENT DISCUSSION AND ANALYSIS REPORT*

**The COVID -19 pandemic**

The global economy is recovering steadily from the COVID-19 pandemic, marked by the rollout of vaccination programs across nations, announcement of additional fiscal support in various economies and an improving capability to contain the re-emergence of further virus outbreaks. The only three preventives are masks, social distancing and vaccinations. Unfortunately the second wave began in early March 2021. During the lockdown that continued throughout the FY2020-21, India's GDP for June 2020 quarter contracted by a massive 24.4%. The fall in GDP continued in the second quarter as the GDP shrunk by 7.3 %.Thereafter, we have seen a rebound, - thanks to the resilience of our citizens, our entrepreneurs and of our economy. To counter the crippling impact of the lockdowns on economies, the world's policymakers have resorted to fiscal and monetary measures never seen before in global economic history.

**Indian Economy Overview**

The Indian economy contracted by 8.0% in FY 2020-21 as against 4.0% growth recorded in FY 2019-20, marking a recession for the first time since 1980 as per the IMF World Economic Outlook in April 2021. Overall economic slowdown, led by the COVID-19 onset followed by stringent lockdowns severely impacted economic activity, bringing manufacturing and trading activities to a halt. Prolonged lockdown exacerbated existing vulnerabilities of the country including the weakened financial sector, private investments, and consumption demand.

The Government announced a special comprehensive package of Rs.20 trillion, equivalent to 10% of India's GDP under the 'Self-Reliant India' movement to revive the country's economic activity. To promote greater participation by FPIs (Foreign Portfolio Investment), the Government proposed to increase the investment limit for FPI to 15% (currently 9%) of the outstanding stock of corporate bonds. The Government also offered certain specified categories of investment in Government securities to be fully opened for NR (Non-Resident) investors.

As per the FY 2020-21 Budget, fiscal deficit is expected to be 3.8% of GDP in FY 2019-20 and 3.5% in FY 2020-21. This is higher than the 3.3% and 3% envisaged for FY 2019-20 and FY 2020-21, respectively, in the FY 2020-21 Budget.

The Reserve Bank of India (RBI) continued with the accommodative monetary stance by bringing the key repo rate and reverse repo rate to 4% and 3.35% respectively to provide monetary stimulus and trigger economic growth back to the earlier trajectory.

**OUTLOOK**

Despite a softer growth, the Indian economy remains one of the fastest growing economies in the world. The effects of external shocks such as rising global volatility, largely from financial volatility, externs from trade disputes, and investment rerouting was contained in part by India's strong macroeconomic fundamentals. The policy changes including amendments to the policy related to insolvency and bankruptcy, bank recapitalisation, and foreign direct investment further helped in coping with the de-growth. The growth trajectory is expected to resume with public policy support and private participation. Reform measures have been made by RBI to ease out liquidity in the markets and to encourage credit inflows via NBFC, HFC, MFIs.

**POSSIBLE THREATS**

Technology has been the most disruptive component in the broking industry. For brokerages to sustain in the business, adapting to changing realities and focusing on adding value to investors hold the key. Redundancy due to constant technological and digital advancement remains a threat to the broking industry. New market entrants always are breaking through established markets, coming up with more customer friendly solutions developed from the scratch and unencumbered by legacy systems. Customers always demand better services, seamless experiences regardless of channel, and more value for their money.

**RISK & CONCERNS**

Being a NBFC, India Finsec Limited is exposed to various types of risks like interest rate volatility, economic cycle, credit risk, market risk, operational risk and other external risk. Such risks are matter of concern for every NBFC. Many of the large corporate houses and banks have also diversified into lending and lending related businesses focusing into niche segments. However, with a rise in number of players, the competition in sector has intensified and impact of stiff competition in the market

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

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

**INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY**

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

**HUMAN RESOURCES**

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

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

**SEGMENT-WISE PERFORMANCE**

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

**FINANCIAL PERFORMANCE AND OPERATIONAL PERFORMANCE**

The Company is engaged primarily in the business of advancing loans and investing/trading in securities. We provide tailor-made services to our clients. During the Financial Year 2020-21, under consideration the performance of the Company was remarkable. The Company has recorded profit of Rs. 4,60,030/- for the year 2020-21 and the Total Revenue for the year ended March 31, 202 is Rs. 10,712,950/-. The Company is planning to increase its investment strategy for the growth of the business.

**SIGNIFICANT CHANGES IN FINANCIAL RATIO**

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

**Standalone basis:-**

| Financial Ratio | Standalone | | Change (%) | Reason for change |
|---|---|---|---|---|
| | FY 2020-21 | FY 2019-20 | | |
| Inventory Turnover | 2.23 | 3.18 | 29.87% | The Company's loan portfolio has been decreased due to investment in its subsidiary to support the principal business activities of its subsidiary which resulted in the decrease of financial ratios of the Company. |
| Interest Coverage Ratio | 1.151 | -4.24 | 127% | |
| Current Ratio | 1.98 | 3.76 | 47.34% | |
| Return on Net Worth | 0.101 | -3.69% | 102.71% | |
| Debt-Equity Ratio | 0.095 | 0.021 | -352% | |

**RESPONSIBILITY FOR THE MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

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

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

**Date: 04.09.2021**

**Place: New Delhi**

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

**Mukesh Sharma**
**Director**
**DIN-00274217**

# *CORPORATE GOVERNANCE REPORT*

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

## 1.COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

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

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

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

As a part of the compliances of the **"Listing Regulations** "as per SEBI (Listing Obligations and Disclosure Requirements)Regulations, 2015, the Company presents hereunder the required disclosures in the form of a Report for information of all the stakeholders.

## 2. BOARD OF DIRECTORS

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

Details of composition of the Board, category, attendance of Directors at the Board Meetings and last Annual General Meeting (AGM), number of other Directorships as on March 31, 2021 are given below:

**Composition and Category of Directors:**

➢ The composition of board is in conformity with Regulation 17 of the SEBI Listing Regulations read with Section 149 of the Act.

➢ None of the Directors on the Board holds directorships in more than ten public companies. None of the Independent Directors serves as an independent director on more than seven listed entities. Necessary disclosures regarding Committee positions in other public companies as on March 31, 2021 have been made by the Directors.

➢ Number of directorships and committee Chairmanships/Memberships held by them in other public limited companies as on March 31, 2021 are given below. Other directorships do not include directorships of private limited companies, foreign companies and companies under Section 8 of the Act. For the purpose of determination of limit of the Board Committees, chairpersonship and membership of the Audit Committee and Stakeholders' Relationship Committee has been considered as per Regulation 26(1)(b) of the Listing Regulations.

| Name | Designation | Category | No. of other Director-ships in public listed entities | Attendance at Board Meetings | Number of committee positions held in other Public Companies | | Attendance at previous AGM |
|---|---|---|---|---|---|---|---|
| | | | | | Memberships | Chairman | |
| **Mr. Gopal Bansal** | Managing Director | Executive Director | One | Yes | 4 | 0 | Yes |
| **Mr. Mukesh Sharma** | Director | Non-Executive Director | One | Yes | 0 | 0 | Yes |
| **Ms. Charu Bansal**#** | Independent Director | Non-Executive Director | - | Yes | 2 | 0 | Yes |
| **Ms. Purva Mangal** | Independent Director | Non-Executive Director | One | Yes | 2 | 0 | Yes |
| **Ms. Himanshi Kashyap**** | Independent Director | Non-Executive Director | One | Yes | 2 | 2 | Yes |
| **Mr. Amit Kumar Agarwal*** | Independent Director | Non-Executive Director | - | Yes | 4 | 4 | Yes |
| **Mr. Saurabh Chhabra#** | Independent Director | Non-Executive Director | - | Yes | - | - | No |

*Appointed as Independent Director w.e.f. 06.07.2020
#Ceased as Independent Director w.e.f. 06.07.2020
**Appointed as Independent Director w.e.f. 24.08.2020
** #Ceased as Independent Director w.e.f. 13.08.2021

➢ **Meetings of the Board of Directors**

The Board of Directors met nine (09) times i.e. 15.05.2020, 06.07.2020, 20.07.2020, 24.08.2020, 03.09.2020, 14.09.2020, 12.11.2020, 10.02.2021, 21.02.2021 during the financial year 2020-2021 respectively.

| Name | Designation | Category | Board Meetings during the period & Attendance at Board Meetings | |
|---|---|---|---|---|
| | | | Held | Attended |
| **Mr. Gopal Bansal** | Managing Director | Executive Director | 9 | 9 |
| **Mr. Mukesh Sharma** | Director | Non-Executive Director | 9 | 8 |
| **Ms. Purva Mangal** | Independent Director | Non-Executive Director | 9 | 7 |
| **Ms. Himanshi Kashyap** | Independent Director | Non-Executive Director | 9 | 5 |
| **Ms. Charu Bansal** | Independent Director | Non-Executive Director | 9 | 5 |
| **Mr. Amit Kumar Agarwal**** | Independent Director | Non-Executive Director | 9 | 4 |
| **Mr. Saurabh Chhabra** | Independent Director | Non-Executive Director | 9 | 1 |

➢ **Disclosure of relationship between director inter-se:** None of the Directors are related to each other.

➢ **Detail of number of shares and convertible instruments, if any, held by Non-Executive Directors:**

| Name of Non-Executive Director | Number of Shares |
|---|---|
| Ms. Charu Bansal (Non-Executive Independent Director) | 0 |
| Ms. Purva Mangal (Non-Executive Independent Director) | 0 |
| Mr. Amit Kumar Agarwal (Non-Executive Independent Director) | 36750 |
| Ms. Himanshi Kashyap (Non-Executive Independent Director) | 0 |
| Mr. Mukesh Sharma (Non-Executive Director) | 1292540 |
| Total | 1329290 |

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

The Company has conducted a familiarization programme for its Independent Directors during the year. The detail of such familiarization programme is available on the web link i.e. https://www.indiafinsec.com/investors-info/

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

The Board comprises qualified Members who possess required skills, expertise and competencies that allow them to make effective contributions to the Board and its Committees.

The following skills / expertise / competencies have been identified for the effective functioning of the Company and are currently available with the Board:

• Leadership / Operations Strategic Planning Industry Experience,

• Technical,

• Research & Development and Innovation Global Business Finance & Legal Corporate Governance,

• Compliance & Risk Management.

➢ **Internal Control**

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

➢ **Information supplied to the Board**

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

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

➢ **Minutes of the Board Meeting**

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

➢ **Code of Ethics**

The Company has prescribed a code of ethics for its Directors and senior management personnel. A declaration by the Executive Director to the effect that all the Directors and the senior management personnel have complied with the Code of Ethics laid down for this purpose for the year 2020-2021 is given below:

➢ **Declaration – Code of Conduct**

This is to confirm that the Board of Directors has laid down a code of conduct for all Directors and Senior Management Personnel of the Company. It is further confirmed that all the Directors and senior management personnel of the Company have duly complied with the Company's Code of Conduct during the financial year 2020-2021 as required under **"Listing Regulations"** of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchanges.

## 3. BOARD COMMITTEES

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

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

### ➢ AUDIT COMMITTEE

**Terms of Reference:**

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

1. Review of the quarterly, half yearly and annual financial results of the Company before submission to the Board.

2. Overseeing the financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.

3. Holding periodic discussions with statutory auditors and internal auditors of the Company concerning the accounts of the company, internal control systems, scope of audit and observations of auditors.

4. Making recommendations to the Board on any matter relating to the financial management of the Company, including the audit report.

5. Recommendations with respect to appointment and removal of external auditors, fixation of audit fees and also approval of fee for any other services by the auditors.

6. Investigating into any matter in relation to items specified in section 177 of the Companies Act, 2013 or as may be referred to it by the Board and for this purpose to seek any relevant information contained in the records of the Company and also seek external professional advice if necessary.

7. Making recommendations to the Board on any matter relating to the financial management of the Company.

**Composition of Audit Committee**

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

**Meetings of the Audit Committee and Attendance of the Members during 2020-2021**

| Name of Member | Designation | Committee Meetings during the period & Attendance at Committee Meetings | |
|---|---|---|---|
| | | Held | Attended |
| **Mr. Gopal Bansal** | Member | 6 | 6 |
| **Ms. Purva Mangal** | Member | 6 | 6 |
| **Mr. Saurabh Chhabra#** | Chairman | 6 | 2 |
| **Mr. Amit Kumar Agarwal*** | Chairman | 6 | 4 |

*Appointed as Chairman of Audit Committee w.e.f. 06.07.2020
#Ceased as Chairman of Audit Committee w.e.f. 06.07.2020

During the year, Six (6) Audit Committee meetings were held as on 15.05.2020, 04.07.2020, 20.07.2020, 03.09.2020, 12.11.2020, 21.02.2021 respectively.

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

**VIGIL MECHANISM/WHISTLE BLOWER POLICY**

The Company has a well framed vigil mechanism/whistle blower policy for its directors and employees. During the year all the directors, senior management personnel and other employees complied the vigil mechanism and none of the complaints are received against any directors and employees for any fraudulent dealings. An Audit Committee of the Board of directors has the responsibility to review the functioning of vigil mechanism and the same has been performed by the committee periodically. The Company has established a Vigil (Whistle Blower) mechanism that provides a channel to the Employees and Directors to report to the management concerns about unethical behavior, actual or suspected fraud or violation of the Codes of conduct or legal or regulatory requirements incorrect or misrepresentation of any financial statements and reports, etc. The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations. To maintain these standards, the Company encourages its employees who have concerns about suspected misconduct to come forward and express these concerns without fear of punishment or unfair treatment.It is affirmed that no personnel of the Company have been denied access to the Audit Committee. The Whistle Blower Policy has been posted on the website of the Company at www.indiafinsec.com.

➢ **NOMINATION & REMUNERATION COMMITTEE**

**Terms of Reference**

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

**Composition**

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

**Meetings of the Nomination & Remuneration Committee and Attendance of the Members during 2020-2021.**

| Name of Member | Designation | Committee Meetings during the period & Attendance at Committee Meetings | |
|---|---|---|---|
| | | Held | Attended |
| Mr. Mukesh Sharma | Member | 3 | 3 |
| Ms. Purva Mangal | Member | 3 | 3 |
| Mr. Saurabh Chhabra# | Chairman | 3 | 1 |
| Mr. Amit Kumar Agarwal* | Chairman | 3 | 2 |

*Appointed as Chairman of Nomination & Remuneration Committee w.e.f. 06.07.2020
#Ceased as Chairman of Nomination & Remuneration w.e.f. 06.07.2020

During the year, three (3) Nomination & Remuneration Committee meetings was held as on 04.09.2020.

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

It also includes:

(a) attract, recruit, and retain good and exceptional talent;

(b) list down the criteria for determining the qualifications, positive attributes, and independence of the directors of the Company;

(c) ensure that the remuneration of the directors, key managerial personnel and other employees is performance driven, motivates them, recognises their merits and achievements and promotes excellence in their performance;

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

(e) Fulfil the Company's objectives and goals, including in relation to good corporate governance, transparency, and sustained long-term value creation for its stakeholders.

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

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

**(a) Details of Remuneration of all the Directors (2020-2021)**

| S. No. | Particulars of Remuneration | Name of MD/WTD | |
|---|---|---|---|
| | | Gopal Bansal | Total Amount (Rs.) |
| 1. | Gross Salary<br>(a)Salary as per provisions contained in section17(1) of the Income-taxAct,1961 | 0 | 0 |
| | (b)Value of perquisites u/s17(2) of the Income-taxAct,1961 | 0 | 0 |
| | (c)Profits in lieu of salary under section17(3)Income - taxAct,1961 | 0 | 0 |
| 2. | Stock Option | 0 | 0 |
| 3. | Sweat Equity | 0 | 0 |
| 4. | Commission<br>- as % of profit<br>- others, specify… | 0 | 0 |
| 5. | Others, please specify | 0 | 0 |
| 6. | Total(A) | 0 | 0 |

**(b) Details of Sitting Fees paid to Non-Executive Directors during the financial year 2020-2021**

| Name of the Director | Board Meeting (Rs) | Audit Committee Meeting (Rs) | Nomination &Remuneration Committee Meeting (Rs) | Stakeholders' Relationship Committee Meeting (Rs) | Risk Management Committee (Rs.) | Total (Rs.) |
|---|---|---|---|---|---|---|
| Mr. Mukesh Sharma | | | | | | 11000 |
| Mr. Saurabh Chhabra# | | | | | | 3000 |

#Ceased as Non-Executive Independent Director w.e.f. 06.07.2020

There were no pecuniary relationships or transactions of the non-executive director's vis-à-vis the company during the Financial Year ended March 31, 2021.

**Criteria for Performance Evaluation by Nomination Committee**

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

## ➢ STAKEHOLDERS RELATIONSHIP COMMITTEE

The Company has Stakeholders Relationship Committee that met regularly to approve share transfers, transmissions, issue of duplicate share certificates, Rematerialization of shares and all other issues pertaining to shares and also to redress investor grievances like non receipt of dividend warrants, non-receipt of share certificates, etc. The committee regularly reviews the movement in shareholding and ownership structure. The committee also reviews the performance of the Registrar and Share Transfer Agents.

**Composition as on date**

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

During the year, two (2) Stakeholders Relationship Committee meetings were held as on 20.07.2020 and 12.11.2020 respectively.

**Composition, meetings of the Stakeholders Relationship Committee and Attendance of the Members during 2020-2021**

| Name of Member | Designation | Committee Meetings during the period & Attendance at Committee Meetings | |
|---|---|---|---|
| | | Held | Attended |
| **Mr. Gopal Bansal** | Member | 2 | 2 |
| **Ms. Purva Mangal** | Member | 2 | 2 |
| **Mr. Amit Kumar Agarwal*** | Chairman | 2 | 2 |
| **Mr. Saurabh Chhabra#** | Chairman | 2 | 0 |

*Appointed as Chairman of Stakeholders Relationship Committee w.e.f. 06.07.2020
#Ceased as Chairman of Stakeholders Relationship Committee w.e.f. 06.07.2020

**Compliance Officer**

| Name | Designation |
|---|---|
| **Mr. Vijay Kumar Dwivedi** | Company Secretary & Compliance Officer |

**Pending Investors' Complaints**

No investor complaints are pending as on the date of Board's Report. The Company does not have any pending share transfers as on the date of Board's Report. The details of number of complaints during the financial year 2020-2021 are mentioned below:

| S. No. | Nature of Queries/ Complaints | Pending as on 01.04.2020 | Received during the year | Redressed during the year | Pending as on 31.03.2021 |
|---|---|---|---|---|---|
| 1 | Transfer/ Transmission of Duplicate Share Certificate | Nil | Nil | Nil | Nil |
| 2 | Non-receipt of Dividend | Nil | Nil | Nil | Nil |
| 3 | Dematerialization/Rematerialization of Shares | Nil | Nil | Nil | Nil |

### ➢ RISK MANAGEMENT COMMITTEE

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

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

**Meetings of the Risk Management Committee and Attendance of the Members during 2020-2021**

| Name of Member | Designation | Committee Meetings during the period & Attendance at Committee Meetings | |
|---|---|---|---|
| | | Held | Attended |
| **Mr. Gopal Bansal** | Chairman & Member | 1 | 1 |
| **Ms. Purva Mangal** | Member | 1 | 1 |
| **Mr. Amit Kumar Agarwal** | Member | 1 | 1 |

During the year, One (1) Risk Management Committee meetings was held as on February 21, 2021.

## 4. INDEPENDENT DIRECTOR

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

## 5. MEETING OF INDEPENDENT DIRECTOR

In accordance with the provisions of Schedule IV (Code for Independent Directors) of the Companies Act, 2013and Regulation 25(3) of Listing Regulations, a meeting of the Independent Directors of the Company was held. The Independent Directors of the Company had met during the year on February 21, 2021 to review the performance of Non-Independent Directors and the Board as a whole, review the performance of the Chairperson of the Company and had accessed the quality, quantity and timeliness of flow of information between the company management and the Board.

## 6. GENERAL BODY MEETINGS

### ➢ ANNUAL GENERAL MEETINGS

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

| Day | Date | Time | Venue | Whether any Special Resolution passed in the Annual General Meeting (Yes/ No) |
|---|---|---|---|---|
| Saturday | 29.09.2018 | 09:00A.M. | D-16, Prashant Vihar, Sector-14, Rohini, New Delhi-110085 | Yes |
| Monday | 30.09.2019 | 11:00 A.M. | D-13, Second Floor, Prashant Vihar, Sector-14, Rohini, New Delhi-110085 | Yes |
| Wednesday | 30.09.2020 | 09:30 A.M. | D-16, Prashant Vihar, Sector-14, Rohini, New Delhi-110085 | Yes |

### ➢ EXTRAORDINARY GENERAL MEETINGS

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

## 7. COMPLIANCE UNDER NON-COMPLIANCE REQUIREMENTS

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

(a) **The Board**: The Company does not have Non-Executive Chairman.

(b) **Shareholder's Right**: The quarterly, half yearly and yearly results are published in the newspaper, displayed on the website of the Company and are sent to the Stock Exchange where the shares of the Company are listed.

(c) **Modified opinion in Audit Report**: The auditors have provided unmodified report on financial statements. The Company continues to adopt best practices in order to ensure financial statements with unmodified audit opinion.

(d) **Reporting of Internal Auditor**: The Internal Auditors of the Company report to the Audit Committee.

## 8. DISCLOSURES

- Transactions of material nature have been entered into by the company with directors or management and their relatives etc has been enclosed in AOC-2 to the Board Report. The Register of contracts containing transactions in which directors are interested is placed before the Board regularly.
- There has been no instance of non-compliance by the Company on regulatory/statutory authorities related to capital markets. Hence the question of penalties or strictures being imposed by SEBI or Stock Exchanges does not arise.
- Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A). Not Applicable
- The Company is in compliance with all the mandatory requirements of SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015 and has fulfilled the non- mandatory requirements;
- The Company has followed the Accounting Standards issued by the Institute of Chartered Accountants of India, to the extent applicable, in the preparation of Financial Statements.
- The Company has laid down procedures to inform Board members about the risk assessment and minimization procedures. These procedures are periodically reviewed to ensure that executive management control risks through means of a properly defined framework.
- The Company has well framed Vigil Mechanism/ Whistle Blower Policy and we affirmed that no personnel has been denied access to the Audit Committee.
- The Company has adopted with the Code of Conduct applicable to all Directors, senior management and employees. The Declaration as required under Regulation 17(5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed with this Report.
- A certificate from a Company Secretary in practice that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority. The Certificate of Company Secretary in practice is annexed herewith as a part of the report.
- Where the board had not accepted any recommendation of any committee of the board which is mandatorily required, in the relevant financial year. Not Applicable
- Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part. Details relating to fees paid to the Statutory Auditors are given in notes to the Standalone and Consolidated Financial Statements.
- Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013is given in the Directors' report.
- The CEO and CFO have given a certificate as contemplated in Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 of the Listing Agreement. This certificate is annexed with this Report.
- Compliance certificate from a Practicing Company Secretary regarding compliance of conditions of corporate governance is annexed with this report.
- The requirements of the Audit and other Committees as contemplated in Listing Regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 have been complied with as per the report set above in respect of the same.
- The Policy for determining 'material' subsidiaries is available on the website of the Company and its web link is www.indiafinsec.com/corporate-governance.
- The Policy on dealing with related party transactions is available on the website of the Company and its web link is www.indiafinsec.com/corporate-governance.
- Disclosure of commodity price risks and commodity hedging activities: The Company does not deal in commodities and hence the disclosure pursuant to SEBI Circular dated November 15, 2020 is not required to be given.

## 9. MEANS OF COMMUNICATION

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

## 10. MATERIALLY RELATED PARTY DISCLOSURES

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

## 11. SUBSIDIARY COMPANY

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

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

## 12. GENERAL SHAREHOLDER INFORMATION

| **Annual General Meeting Schedule** | |
|---|---|
| **Date** | September 30, 2021 (Thursday) |
| **Time** | 09:30A.M. |
| **Venue** | D-16, First Floor, Prashant Vihar,<br>Sector-14, Rohini, New Delhi-110085 |
| **Date of Book Closure** | |
| **Wednesday, September 23, 2021 to Wednesday, September 30, 2021** | |
| **Financial Year** | |
| **April 1, 2020 to March 31, 2021** | |
| **Dividend Payment Date** | |
| **Not Applicable** | |
| **Name and Address of the Stock Exchange at which the Company's securities are listed** | |
| **Bombay Stock Exchange Limited (BSE)**<br>**Address: PJ Towers, Dalal Street Fort, Mumbai-400001** | |
| **Company has paid the Annual Listing Fee to Bombay Stock Exchange for the Financial Year 2020-21** | |
| **Company has paid the Annual Custodial Fee for the Financial Year 2020-21** | |
| **Stock Code** | |
| **BSE Limited- 535667** | |
| **Registrar to an issue and share transfer agents** | |
| **M/s Skyline Financial Services Private Limited**<br>**D-153 A, First Floor, Okhla Industrial Area, Phase-I, New Delhi-110020**<br>**Contact No.-011-64732681 to 88**<br>**Email Id- admin@skylinerta.com** | |
| **Address for Correspondence** | |
| **D-16, First Floor, Above ICICI Bank, Prashant Vihar, Sector-14, Rohini, New Delhi-1100085**<br>**Contact No. 011-47096097**<br>**Email- indiafinsec@gmail.com** | |
| **ISIN:-INE474O01010** | |
| **Share Transfer System** | |
| **The Company has delegated the authority to approve shares received for transfer in physical form to M/s Skyline Financial Services Private Limited.** | |
| **Dematerialization of shares and liquidity** | |
| **Company has an agreement with M/s Skyline Financial Services Private Limited for dematerialization of shares** | |
| **Outstanding GDR or ADR or warrants or any convertible instruments, conversion date and likely impact on equity** | |

| Nil |
|---|
| **Plant Locations** |
| We have only Registered Office in New Delhi |
| **Corporate Secretarial/Investors' Assistance Department** |
| Secretarial Department headed by Mr. Vijay Kumar Dwivedi, Company Secretary of the Company |
| **Distribution of Shareholding as on March 31, 2021** |

| No. of Equity Shares Held | Number of Shareholders | % to Total Numbers | Shareholding Amount | % to Total Amount |
|---|---|---|---|---|
| (Rs.) | | | (Rs.) | |
| 1 | 2 | 3 | 4 | 5 |
| Up To 5,000 | 180 | 46.27 | 60780 | 0.02 |
| 5001 To 10,000 | 13 | 3.34 | 1128200 | 0.45 |
| 10001 To 20,000 | 4 | 1.03 | 57000 | 0.02 |
| 20001 To 30,000 | 2 | 0.51 | 50540 | 0.02 |
| 30001 To 40,000 | 3 | 0.77 | 103210 | 0.04 |
| 40001 To 50,000 | 1 | 0.26 | 47000 | 0.02 |
| 50001 To 1,00,000 | 86 | 22.11 | 8415420 | 3.37 |
| 1,00,000 and Above | 100 | 25.71 | 240570380 | 96.45 |
| Total | 389 | 100 | 249417150 | 100 |

**Market Price Data**

| Month | Open | High | Low | Close | No Of Shares | No Of Trades | Total Turnover | Deliverable Quantity | % Deli. Qty to Traded Qty | * Spread H-L | * Spread C-O |
|---|---|---|---|---|---|---|---|---|---|---|---|
| May-20 | 10.8 | 10.8 | 9.75 | 9.75 | 22 | 4 | 220 | 22 | 100 | 1.05 | -1.05 |
| Jun-20 | 9.3 | 9.3 | 8.1 | 8.1 | 137 | 6 | 1137 | 137 | 100 | 1.2 | -1.2 |
| Jul-20 | 7.7 | 7.7 | 6.32 | 6.32 | 476 | 5 | 3432 | 476 | 100 | 1.38 | -1.38 |
| Aug-20 | 6.3 | 9.97 | 5.71 | 9.97 | 1247178 | 56 | 7869692 | 1247178 | 100 | 4.26 | 3.67 |
| Sep-20 | 10.01 | 16.38 | 8.6 | 16 | 2705 | 66 | 39063 | 2705 | 100 | 7.78 | 5.99 |
| Oct-20 | 16.3 | 16.3 | 14.55 | 15.3 | 292 | 27 | 4371 | 292 | 100 | 1.75 | -1 |
| Nov-20 | 15.3 | 15.3 | 13.95 | 13.95 | 191 | 9 | 2847 | 191 | 100 | 1.35 | -1.35 |
| Dec-20 | 13.7 | 13.7 | 11.85 | 11.85 | 694 | 19 | 9209 | 694 | 100 | 1.85 | -1.85 |
| Jan-21 | 11.85 | 11.85 | 7.53 | 7.53 | 935 | 22 | 8890 | 935 | 100 | 4.32 | -4.32 |
| Feb-21 | 7.53 | 7.59 | 6.87 | 7.37 | 9853 | 14 | 67723 | 9853 | 100 | 0.72 | -0.16 |
| Mar-21 | 7.73 | 7.73 | 7.37 | 7.37 | 10000 | 2 | 74060 | 10000 | 100 | 0.36 | -0.36 |

By the Order of the board
For India Finsec Limited

Date: 04.09.2021
Place: New Delhi

Gopal Bansal
Managing Director
DIN-01246420

Mukesh Sharma
Director
DIN-00274217

## *AUDITOR CERTIFICATE ON CORPORATE GOVERNANCE*

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

**To**
**The Members of**
**India Finsec Limited**

I have examined all the relevant records of **M/s India Finsec Limited having CIN L65923DL1994PLC060827 )(the Company)** for the purpose of certifying the compliance of the conditions of Corporate Governance as stipulated under Regulation 17 to 27 Clauses (b) to (i) of Regulation 46 (2) and Para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the period commencing from April 01, 2020 and ended on March 31, 2021. I have obtained all the information and explanations which are to the best of my knowledge and belief were necessary for the purpose of certification.

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

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

I further state that such compliance 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 VMS & Co.**
**Company Secretaries**

**Sd/-**
**Megha Sharan**
**Proprietor**
**M. No. F9802, CP No. 12171**

**Date: September 04, 2021**
**Place: New Delhi**
**UDIN: F009802C000899713**

## *CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS*

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

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

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

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, the Reserve bank of India or any such other Statutory Authority.

| S. No. | Name of Director | Designation | DIN | Date of Appointment |
|---|---|---|---|---|
| 1. | Mr. Gopal Bansal | Managing Director | 01246420 | 16.01.2021 |
| 2. | Mr. Mukesh Sharma | Non-Executive Director | 00274217 | 14.08.2017 |
| 3. | Ms. Purva Mangal | Independent Director | 02816099 | 30.09.2019 |
| 4. | Ms. Charu Bansal | Independent Director | 06632839 | 24.08.2020 |
| 5. | Ms. Himanshi Kashyap | Independent Director | 07681277 | 24.08.2020 |
| 6. | Mr. Amit Kumar Agarwal | Independent Director | 08768575 | 06.07.2020 |

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

**For VMS & Co.**
**Company Secretaries**

**Sd/-**
**Megha Sharan**
**Proprietor**
**M. No. F9802, CP No. 12171**

**Date: September 04, 2021**
**Place: New Delhi**
**UDIN: F009802C0008998746**

## *CHAIRMAN'S DECLARATION ON CODE OF CONDUCT*

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

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

It is further confirmed that all Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct for Board of Directors and Senior Management Personnel, as approved by the Board, for the financial year ended on March 31, 2021.

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

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

**Date: 04.09.2021**

**Place: New Delhi**

## *CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION*

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

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

(a) I have reviewed financial statements and the cash flow statements for the year ended March 31, 2021 and that to the best of my knowledge and belief;
(i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
(ii) These statements together present a true and fair view of the Company's affairs and are incompliance with existing accounting standards, applicable laws and regulations.
(b) There are no transactions entered into by the Company during the year that are fraudulent, illegal or violative of the Company's Code of Conduct;
(c) I accept responsibility for establishing and maintaining internal controls for financial reporting and have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design and operations of such internal controls, if any, of which I am aware and the steps we have taken or propose to take to rectify these deficiencies.
(d) I have indicated to the auditors and the Audit Committee:
(i) Significant changes in the internal control over financial reporting during the year under reference;
(ii) Significant changes in the accounting policies during the year and that the same has been disclosed in the notes to the financial statements; and
(iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

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

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

**Date: 04.09.2021**
**Place: New Delhi**

# *INDEPENDENT AUDITOR'S REPORT*

**To**
**The members of**
**INDIA FINSEC LIMITED**

**Report on the Audit of Standalone Financial Statements**

**Opinion**

We have audited the accompanying standalone financial statements of **INDIA FINSEC LIMITED** ("the Company"), which comprise the balance sheet as at 31st March 2021, the statement of profit and loss, 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.

In our opinion and to the best of our information and explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at 31st March, 2021, and the **net 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 the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules there under, and we have fulfilled our ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidences we have obtained are sufficient and appropriate to provide a basis for our opinion.

**Key Audit Matters**

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

| S. No. | Key audit matters | Auditor's response |
|---|---|---|
| 1. | **Loans and advances: -**<br><br>Loans are to be disclosed at Amortised Cost using Effective Interest Method prescribed under Ind AS 109 on 'Financial Instruments'.<br><br>We focused on the conditions of disbursement and appropriateness of sanctioning process of the loan granted by the Company. | Our audit procedure inter- alia includes the following: -<br><br>1. We evaluated the control environment including authorization, sanctioning and disbursement of significant loans advanced during the year.<br><br>2. We evaluated the control environment of levying the processing fees on significant loans advanced by the company and its treatment in books of accounts in accordance with Ind AS 109.<br><br>3. We have obtained external confirmations from third parties in respect of transactions and |

| | | |
|---|---|---|
| | | closing balance for significant loans advanced by the company.<br><br>4. We tested all material entries recorded in connection with the loan advance and interest thereon to determine whether the accounting was appropriate. |

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

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

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

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

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

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the AS and the other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that are operating effectively for insuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatements, whether due to fraud or error.

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

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

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

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

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

(i) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to

provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

(ii) Obtain an understanding of the internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

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

(iv) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

(v) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

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

**Report on Other Legal and Regulatory Requirements**

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

2. The Company is a Non-Banking Financial Company not accepting public deposits and holding certificate of Registration No.: B-14.00127 dated 09/03/2012 from Reserve Bank of India has been issued to the Company: -

   a) The Board of Directors has passed resolution for the non-acceptance of any public deposits.

   b) The Company has not accepted any public deposits during the relevant year.

   c) The Company has complied with the prudential norms relating to income recognition, accounting standards, assets classification and provisions for bad and doubtful debts as applicable to it.

3. As required by Section 143(3) of the Act, we report that: -

a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

c. the Balance Sheet, the Statement of Profit and Loss, Statement of Changes in Equity and the Cash Flow Statement dealt with by this report are in agreement with the books of account;

d. In our opinion, the aforesaid financial statements comply with the accounting standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

e. On the basis of the written representations received from the directors as on 31st March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 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 over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in **Annexure B**. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

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

i. The Company has disclosed the impact, if any of pending litigations on its financial position, in its standalone financial statements (Refer to note no. 30 of the standalone financial statements).

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

iii. The Company is not required to transfer any amount to the Investor Education and Protection Fund.

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

**Sd/-**
**O.P. Pareek**
**Partner**
**Membership No. 014238**
**UDIN: - 21014238AAAAJL2684**

**New Delhi, the 30th day of June 2021**

## ANNEXURE - A TO THE AUDITOR'S REPORT

The Annexure referred to in Paragraph 1 under the heading of "Report on other Legal and Regulatory Requirements" of our report of even date to the members of **INDIA FINSEC LIMITED** for the year ended on 31st March 2021.

(i) (a) As per information and explanation given to us, the company is maintaining proper records showing full disclosures of fixed assets.

(b) As per information and explanation given to us, physical verification of fixed assets has been conducted once in a year by the management and no material discrepancies were noticed during the course of verification.

(c) According to information and explanation given to us, the company does not hold any immovable property during the year dealt with by this report;

(ii) As per information and explanation given to us, inventory consisting of shares and securities that are held in dematerialized form, balances of same has been verified with the same available at depository participant (i.e. NSDL/CDSL). Further, no material discrepancies were noticed during the course of such verification;

(iii) According to information and explanation given to us, the Company has not granted any unsecured loans to parties covered in register maintained under section 189 of the Companies Act, 2013. Hence, the provisions of said sub- clause are not applicable.

(iv) According to information and explanations given to us, the Company has complied with the provisions of section 185 and section 186 of the Companies Act, 2013 to the extent applicable in respect of loans, advances, guarantees and securities so given;

(v) According to information and explanations given to us, the Company has not accepted public deposits and the provision of section 73 to 76 or other relevant provisions of the Companies Act, 2013 and rules framed there under are not applicable to the Company;

(vi) According to information and explanations given to us, the Company is not liable to maintain cost records as prescribed under section 148(1) of the Companies Act, 2013;

(vii) (a) According to information and explanations given to us, the company is generally regular in depositing undisputed statutory dues including income-tax and any other applicable statutory dues to the appropriate authorities and there are no outstanding statutory dues as on the last day of the financial year concerned for a period of more than six months from the date they became payable;

(b) According to information and explanation given to us, following statutory dues are outstanding on part of the Company which are not deposited on account of dispute: -

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

(viii) According to information and explanations given to us, the company has not defaulted in repayment of loans and borrowings from any financial institution, bank, government or dues to debenture holders;

(ix) According to information and explanations given to us, the Company has not raised money by way of initial public offer or further public offer. The Company has not taken any term loans from any bank or financial institution;

(x) According to information and explanations given to us, there is no noticed or unreported fraud on or by the Company during the year under audit;

(xi) According to information and explanations given to us, the Company has paid managerial remuneration in accordance with requisite approvals mandated by the provisions of section 197 read with Schedule V of the Act;

(xii) As per information, the Company is not a Nidhi Company, hence provisions of sub- clause (xii) of the Paragraph 3 of the Order are not applicable;

(xiii) According to information and explanations given to us, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 wherever applicable and the details have been disclosed in the financial statements etc., as required by the applicable accounting standards;

(xiv) According to information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year;

(xv) According to information and explanations given to us, the Company has not entered into non- cash transactions with directors or persons connected with him;

(xvi) According to information and explanations given to us, the Company is a Non- Banking Financial Company and registered under Section 45-IA of the Reserve Bank of India Act, 1934.

Signed for the purpose of identification

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

**Sd/-**
**O.P. Pareek**
**Partner**
**Membership No. 014238**
**UDIN: - 21014238AAAAJL2684**

**New Delhi, the 30th day of June 2021**

## ANNEXURE - B TO THE AUDITOR'S REPORT

The Annexure referred to in Paragraph 3(f) under the heading of "Report on other Legal and Regulatory Requirements" of our report of even date to the members of **INDIA FINSEC LIMITED** for the year ended on 31st March 2021.

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

We have audited the internal financial controls over financial reporting of INDIA FINSEC LIMITED as on 31st March 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management's Responsibility for the Internal Financial Controls**

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

**Auditor's Responsibility**

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

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

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

**Meaning of Internal Financial Controls Over Financial Reporting**

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

(1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;

(2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and the receipt and expenditures of the Company are being only in accordance with authorizations of management and directors of the Company; and

(3) Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use or disposition of the Company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

**Opinion**

In our opinion, the Company has, in all material aspects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2021, based on "the internal financial controls over financial reporting criteria considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India".

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

**Sd/-**
**O.P. Pareek**
**Partner**
**Membership No. 014238**
**UDIN: - 21014238AAAAJL2684**

**New Delhi, the 30th day of June 2021**

## INDIA FINSEC LIMITED

CIN: L65923DL1994PLC060827

STANDALONE BALANCE SHEET AS AT 31ST MARCH 2021

| Particulars | Notes | As at 31st March 2021 (Rs. In '000') | As at 31st March 2020 (Rs. In '000') |
|---|---|---|---|
| ASSETS | | | |
| **Financial assets** | | | |
| Cash and cash equivalents | 3 | 1,044.31 | 1,389.18 |
| Receivables | | | |
| Trade Receivables | 4 | 3,867.50 | - |
| Loans | 5 | 63,414.92 | 17,580.94 |
| Investments | 6 | 3,97,238.00 | 4,02,836.91 |
| Other financial asset | 7 | 0.42 | |
| **Non-financial assets** | | | |
| Inventories | 8 | 4,797.03 | 6,658.27 |
| Current tax assets (net) | | 21,528.57 | 20,921.17 |
| Deferred tax assets (net) | 9 | 421.82 | 1,396.44 |
| Property, plant & equipment | 10 | 473.57 | 3,083.90 |
| Other non financial assets | 11 | - | 426.32 |
| **Total Assets** | | **4,92,786.14** | **4,54,293.13** |
| LIABILITIES AND EQUITY | | | |
| **Financial liabilities** | | | |
| Payables | 12 | | |
| (i) total outstanding dues of micro enterprises and small enterprises | | - | - |
| (ii) total outstanding dues of creditors other than micro enterprises and small enterprises | | 36.00 | 100.39 |
| Borrowings (other than debt securities) | 13 | 46,887.92 | 9,374.00 |
| Other financial liabilities | 14 | 122.90 | 2,874.11 |
| **Non-financial liabilities** | | | |
| Provisions | 15 | 158.54 | 43.95 |
| Other non financial liabilities | 16 | 528.67 | 116.20 |
| EQUITY | | | |
| Equity share capital | 17 | 2,49,417.15 | 2,49,417.15 |
| Other equity | 18 | 1,95,634.96 | 1,92,367.33 |
| **Total Liabilities and Equity** | | **4,92,786.14** | **4,54,293.13** |

Notes to the Standalone Ind AS financial statements 1-37

The accompanying notes form an integral part of the standalone Ind AS financial statements.
As per our report of even date

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

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

**O. P. Pareek**
Partner
Membership No. 014238
UDIN: - 21014238AAAAJL2684

**Gopal Bansal**
Managing Director
DIN: 01246420

**Mukesh Sharma**
Director
DIN: 00274217

New Delhi, the 30th day of June, 2021

**Manoj Kumar Gupta**
CFO
PAN: AEUPG8308R

**Vijay Kumar Dwivedi**
Company Secretary
Membership No.: A36168

## INDIA FINSEC LIMITED

CIN: L65923DL1994PLC060827

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2021

| Particulars | Notes | For the year ended on 31st March 2021 (Rs. In '000') | For the year ended on 31st March 2020 (Rs. In '000') |
|---|---|---|---|
| REVENUE | | | |
| Revenue from operations | 19 | 10,576.81 | 29,152.08 |
| Other income | 20 | 136.14 | 187.12 |
| **Total Revenue (I)** | | **10,712.95** | **29,339.20** |
| EXPENSES | | | |
| Finance costs | 21 | 2,715.02 | 2,828.81 |
| Purchases of stock in trade | 22 | - | 16,598.81 |
| Changes in inventories of stock in trade | 23 | 1,861.24 | 11,855.05 |
| Employee benefit expenses | 24 | 1,810.59 | 8,709.49 |
| Depreciation | 10 | 206.45 | 1,529.09 |
| Other expenses | 25 | 3,711.72 | 2,626.31 |
| **Total (II)** | | **10,305.02** | **44,147.56** |
| **Profit/ (loss) before exceptional items and tax (I-II)** | | **407.93** | **(14,808.36)** |
| Exceptional items | | - | - |
| **Profit/ (loss) before tax** | | **407.93** | **(14,808.36)** |
| Tax Expense | | | |
| Current tax | | - | - |
| Deferred tax | | 52.10 | (63.73) |
| **Profit/ (loss) after tax (III)** | | **460.03** | **(14,872.09)** |
| OTHER COMPREHENSIVE INCOME | | | |
| (i) Items that will not be reclassified to profit or loss | | | |
| - Equity instrument through other | | 3,948.92 | (1,937.22) |
| (ii) Income tax relating to items that will not | | (1,026.72) | 503.68 |
| (iii) Items that will be reclassified to profit or loss | | - | - |
| (iv) Income tax relating to items that will be | | - | - |
| **Total Other Comprehensive Income (IV)** | | **2,922.20** | **(1,433.54)** |
| **Total Comprehensive Income (III+IV)** | | **3,382.23** | **(16,305.63)** |
| **Earning per equity share (EPS)** | | | |
| [nominal value of share Rs. 10] | | | |
| Basic (Amount in Rs.) | | 0.02 | (0.60) |
| Diluted (Amount in Rs.) | | 0.02 | (0.60) |

Notes to the Standalone Ind AS financial statem 1-37

The accompanying notes form an integral part of the standalone Ind AS financial statements.
As per our report of even date

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

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

**O. P. Pareek**
Partner
Membership No. 014238
UDIN: - 21014238AAAAJL2684

**Gopal Bansal**
Managing Director
DIN: 01246420

**Mukesh Sharma**
Director
DIN: 00274217

New Delhi, the 30th day of June, 2021

**Manoj Kumar Gupta**
CFO
PAN: AEUPG8308R

**Vijay Kumar Dwivedi**
Company Secretary
Membership No.: A36168

## INDIA FINSEC LIMITED

CIN: L65923DL1994PLC060827

STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 2021

| Particulars | For the year ended on 31st March 2021 (Rs. In '000') | For the year ended on 31st March 2020 (Rs. In '000') |
|---|---|---|
| **CASH FLOW FROM OPERATING ACTIVITIES** | | |
| Net profit/ (loss) before tax and after extra- ordinary items | 407.93 | (14,808.35) |
| Adjustments for items: - | | |
| Depreciation | 206.45 | 1,529.09 |
| Interest income | (23.07) | - |
| Loss on de-recognition of financial asset | 2,204.52 | - |
| Profit on sale of Property, plant & equipment | (103.08) | (187.12) |
| Dividend received | (10.00) | - |
| Operating Profit before working capital changes | 2,682.75 | (13,466.38) |
| Working capital adjustments: - | | |
| (increase)/decrease in trade receivable | (3,867.50) | - |
| (Increase)/ decrease in loans | (45,833.98) | 32,871.54 |
| (Increase)/ decrease in other financial assets | (0.42) | - |
| (Increase)/ decrease in inventories | 1,861.24 | 11,855.05 |
| (Increase)/ decrease in other non-financial assets | 426.32 | 278.85 |
| Increase/ (decrease) in trade payables | (64.39) | 42.39 |
| Increase/ (decrease) in other financial liabilities | (218.09) | (1,769.13) |
| Increase/ (decrease) in other non-financial liabilities | 412.47 | (922.04) |
| Cash generated from operations | (44,601.60) | 28,890.28 |
| Direct Taxes Paid | (607.41) | (9,701.24) |
| **Net cash flow from operating activities (A)** | **(45,209.01)** | **19,189.04** |
| **CASH FLOW FROM INVESTING ACTIVITIES** | | |
| Purchase of property, plant & equipment | (26.18) | (121.31) |
| Sale of property, plant & equipment | - | 290.00 |
| Sale/ (Purchase) of investments | 7,343.30 | (2,288.00) |
| Dividend received | 10.00 | - |
| Interest Income | 23.07 | - |
| **Net cash flow from investing activities (B)** | **7,350.19** | **(2,119.31)** |
| **CASH FLOW FROM FINANCING ACTIVITIES** | | |
| Net proceeds from borrowings | 37,513.92 | (16,601.81) |
| **Net cash flow from financing activities (C)** | **37,513.92** | **(16,601.81)** |
| **Net cash flow during the year (A + B + C)** | (344.87) | 467.91 |
| Add: Opening cash and cash equivalents | 1,389.18 | 921.27 |
| **Closing cash and cash equivalents** | **1,044.31** | **1,389.18** |
| **Components of cash and cash equivalents** | | |
| Cash on hand | 505.61 | 827.30 |
| Balance with banks in current account | 538.70 | 561.88 |
| **Total cash and cash equivalents (Note 3)** | **1,044.31** | **1,389.18** |

The accompanying notes form an integral part of the standalone Ind AS financial statements.
As per our report of even date

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

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

**O. P. Pareek**
Partner
Membership No. 014238
UDIN: - 21014238AAAAJL2684

**Gopal Bansal**
Managing Director
DIN: 01246420

**Mukesh Sharma**
Director
DIN: 00274217

New Delhi, the 30th day of June, 2021

**Manoj Kumar Gupta**
CFO
PAN: AEUPG8308R

**Vijay Kumar Dwivedi**
Company Secretary
Membership No.: A36168

## INDIA FINSEC LIMITED

CIN: L65923DL1994PLC060827

STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED ON 31ST MARCH 2021

A. Equity share capital: -

(Rs. In '000')

| Balance as at 1st April 2019 | Changes in equity share capital during the | Balance as at 31st March 2020 |
|---|---|---|
| 2,49,417.15 | - | 2,49,417.15 |
| **Balance as at 1st April 2020** | **Changes in equity share capital during the** | **Balance as at 31st March 2021** |
| 2,49,417.15 | - | 2,49,417.15 |

B. Other equity: -

(Rs. In '000')

| Particulars | Reserve & Surplus | | | Equity instruments through Other Comprehensive Income | Total |
|---|---|---|---|---|---|
| | Special Reserve (u/s 45IC of the RBI Act, 1934) | Retained Earnings | Share premium | | |
| Balance as at 1st April 2019 | 8,455.46 | 40,542.27 | 1,61,081.05 | (1,488.65) | 2,08,590.13 |
| Profit for the year | - | (14,872.08) | - | - | (14,872.08) |
| Contingent provision for standard assets | - | 82.83 | - | - | 82.83 |
| Appropriation to statutory reserves | - | - | - | - | - |
| Other comprehensive income (net) | | | | | |
| Remeasurement of investments carried at FVTOCI | - | - | - | (1,433.54) | (1,433.54) |
| Total other comprehensive income | - | - | - | (1,433.54) | (1,433.54) |
| **Total Comprehensive Income** | - | (14,789.25) | - | (1,433.54) | (16,222.79) |
| Balance as at 31st March 2020 | 8,455.46 | 25,753.02 | 1,61,081.05 | (2,922.19) | 1,92,367.34 |
| Balance as at 1st April 2020 | 8,455.46 | 25,753.02 | 1,61,081.05 | (2,922.19) | 1,92,367.34 |
| Derecognition of equity instruments measured at FVTOCI | - | - | - | 2,922.19 | 2,922.19 |
| Profit for the year | - | 460.02 | - | - | 460.02 |
| Contingent provision for standard assets | - | (114.59) | - | - | (114.59) |
| Transfer to special reserve | 92.00 | (92.00) | | | |
| Other comprehensive income (net) | | | | | |
| Remeasurement of investments carried at FVTOCI | - | - | - | - | - |
| Total other comprehensive income | - | - | - | - | - |
| **Total Comprehensive Income** | 92.00 | 253.43 | - | - | 345.43 |
| **Balance as at 31st March 2021** | 8,547.46 | 26,006.45 | 1,61,081.05 | - | 1,95,634.96 |

Notes to the standalone Ind AS financial statements 1-37

As per our report of even date

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

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

**O. P. Pareek**
Partner
Membership No. 014238
UDIN: - 21014238AAAAJL2684

**Gopal Bansal**
Managing Director
DIN: 01246420

**Mukesh Sharma**
Director
DIN: 00274217

New Delhi, the 30th day of June, 2021

**Manoj Kumar Gupta**
CFO
PAN: AEUPG8308R

**Vijay Kumar Dwivedi**
Company Secretary
Membership No.: A36168

**Notes to Financial Statements**

**1 Corporate Information**

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

**2 Significant Accounting Policies**

**(a) Statement of Compliances**

The financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) specified under section 133 of the Companies Act, 2013, read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015.

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

The standalone Ind AS financial statements have been prepared under the historical cost basis which is generally based on the fair value of consideration given in exchange for goods and services. However, certain financial assets and financial liabilities are measured at fair value in compliance with IND-AS.

**(c) Use of Estimates:**

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

**(d) Critical accounting estimates:**

**(i) Income Taxes:**

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

**(ii) Impairment of Investments:**

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

**(iii) Provisions:**

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

**(f) Property plant and equipment**

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

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

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

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

| Particulars of property plant and equipment | Useful life (in years) |
|---|---|
| Furniture and fixture | 10 |
| Vehicles | 8 |
| Office equipment | 5 |
| Computer | 3 |

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

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

**(g) Intangible assets and amortisation therefore:**

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

**(h) Revenue recognition**

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

(i) Interest Income: The Company recognises interest income using Effective Interest Rate (EIR) on all financial assets subsequently measured at amortised cost. EIR is calculated by considering all costs and incomes attributable to acquisition of a financial asset or assumption of a financial liability and it represents a rate that exactly discounts estimated future cash payments/receipts through the expected life of the financial asset/financial liability to the gross carrying amount of a financial asset or to the amortised cost of a financial liability.

(ii) Dividend: Dividend income from investments is recognised when the shareholders' right to receive payment has been established which is generally when the shareholders approve the dividend.

(iii) Other revenue from operations: The Company recognises revenue from contracts with customers (other than financial assets to which Ind AS 109 'Financial Instruments' is applicable) based on a comprehensive assessment model as set out in Ind AS 115 'Revenue from contracts with customers'. The Company identifies contract(s) with a customer and its performance obligations under the contract, determines the transaction price and its allocation to the performance obligations in the contract and recognises revenue only on satisfactory completion of performance obligations. Revenue is measured at fair value of the consideration received or receivable.

**(i) Financial Instruments:**

**(i) Financial Assets**

**Recognition and initial measurement: -**

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

**Subsequent measurement: -**

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

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

**De- Recognition of financial Assets: -**

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

**(ii) Financial Liabilities: -**

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

**Subsequent measurement: -**

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

**De-recognition of financial liabilities**

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

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

**(iii) Off setting of financial instrument: -**

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

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

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

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

**(v) Expected Credit Loss (ECL): -**

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 the financial assets categorised under 'Stage 2' and 'Stage 3'.

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.

**(j) Cash and cash equivalents**

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

**(k) Taxations**

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

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

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

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

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

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

**(l) Employee benefits**

**(i) Short-term employee benefits: -**

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

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

**Defined Benefit Plans: -**

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

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

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

**(m) Earning Per Share**

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

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

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

**(n) Provision, Contingent Liabilities and Contingent Assets**

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

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

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

**(o) Leases :**

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

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

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

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and

removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset.

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

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

| 3. Cash and cash equivalents | As at 31st March 2021 (Rs. In '000') | As at 31st March 2020 (Rs. In '000') |
|---|---|---|
| Cash on hand (as certified) | 505.61 | 827.30 |
| Balances with banks in current accounts | 538.70 | 561.88 |
| | 1,044.31 | 1,389.18 |

| 4. Trade Receivables | As at 31st March 2021 (Rs. In '000') | As at 31st March 2020 (Rs. In '000') |
|---|---|---|
| Undisputed trade receivable-Less than 6 months | | |
| Consider good | 3,867.50 | - |
| | 3,867.50 | - |

| 5. Loans | As at 31st March 2021 (Rs. In '000') | As at 31st March 2020 (Rs. In '000') |
|---|---|---|
| In India (at amortised cost) | | |
| Loans repayable on demand (unsecured) | 5,500.00 | 5,500.00 |
| Term loans (secured) (note 5.1) | 57,914.92 | 12,080.94 |
| | 63,414.92 | 17,580.94 |

5.1 Term loans are secured by the company against equitable mortgage of properties of the borrowers.

| 6. Investments | As at 31st March 2021 (Rs. In '000') | As at 31st March 2020 (Rs. In '000') |
|---|---|---|
| In India | | |
| In subsidiaries (at Cost) | | |
| 3,97,15,000 (31st March, 2020 : 3,97,15,000) equity shares of Rs. 10 each fully paid in IFL Housing Finance Ltd. | 3,97,238.00 | 3,97,238.00 |
| In equity instruments | | |
| Other investments | | |
| Nil (31st March, 2020 : 5,59,981) equity shares of Rs. 10 each fully paid in IFL Enterprise Ltd. | - | 5,598.91 |
| | 3,97,238.00 | 4,02,836.91 |

| 7 Other financial assets | As at 31st March 2021 (Rs. In '000') | As at 31st March 2020 (Rs. In '000') |
|---|---|---|
| Prepaid expense | 0.42 | - |
| | 0.42 | - |

| 8. Inventories | As at 31st March 2021 (Rs. In '000') | As at 31st March 2020 (Rs. In '000') |
|---|---|---|
| At FVTPL | | |
| Equity instruments (Quoted) | 4,797.03 | 6,658.27 |
| | 4,797.03 | 6,658.27 |

| 9. Deferred tax assets (net) | As at 31st March 2021 (Rs. In '000') | As at 31st March 2020 (Rs. In '000') |
|---|---|---|
| At start of the year | 1,396.44 | 956.49 |
| Credit/ (charge) to statement of profit and loss | 52.10 | (63.73) |
| Credit/ (charge) to other comprehensive income | (1,026.72) | 503.68 |
| At end of the year | 421.82 | 1,396.44 |

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

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

| Particulars | For the year ended on 31st March 2021 (Rs. In '000') | | | |
|---|---|---|---|---|
| | Opening balance | Recognised in statement of profit and loss | Recognised in OCI | Closing balance |
| Property, plant & equipments | 304.90 | (22.94) | - | 281.96 |
| Others | 1,091.54 | 75.04 | (1,026.72) | 139.86 |
| Total | **1,396.44** | **52.10** | **(1,026.72)** | **421.82** |

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

10. Property, plant & equipment

| | As at 31st March 2021 (Rs. In '000') | As at 31st March 2020 (Rs. In '000') |
|---|---|---|
| Carrying amount: - | | |
| Office premises (Right of Use asset) | - | 2,430.04 |
| Furniture & fixtures | 274.86 | 365.71 |
| Vehicles | 34.03 | 49.49 |
| Office equipments | 154.11 | 228.05 |
| Computers | 10.57 | 10.61 |
| | 473.57 | 3,083.90 |

| | Office premises (Rs. In '000') | Furniture & fixtures (Rs. In '000') | Vehicles (Rs. In '000') | Office equipments (Rs. In '000') | Computers (Rs. In '000') | Total (Rs. In '000') |
|---|---|---|---|---|---|---|
| Cost or Deemed Cost: - | | | | | | |
| Balance as at 1st April, 2019 | - | 777.57 | 2,068.06 | 1,228.72 | 676.64 | 4,750.99 |
| Additions during the year | 3,645.06 | 48.35 | - | 72.97 | - | 3,766.38 |
| Asset disposed / written off during the year | - | - | (1,554.50) | - | - | (1,554.50) |
| Balance as at 31st March, 2020 | 3,645.06 | 825.92 | 513.56 | 1,301.69 | 676.64 | 6,962.87 |
| Additions during the year | - | - | - | 26.18 | - | 26.18 |
| Asset disposed / written off during the year | (3,645.06) | - | - | - | - | (3,645.06) |
| Balance as at 31st March, 2021 | - | 825.92 | 513.56 | 1,327.87 | 676.64 | 3,343.99 |
| Accumulated depreciation: - | | | | | | |
| Balance as at 1st April, 2019 | - | 343.34 | 1,891.26 | 905.16 | 661.74 | 3,801.50 |
| Charge for the year | 1,215.02 | 116.87 | 24.43 | 168.48 | 4.28 | 1,529.08 |
| Adjusted on assets disposed/ written off | - | - | (1,451.62) | - | - | (1,451.62) |
| Balance as at 31st March, 2020 | 1,215.02 | 460.21 | 464.07 | 1,073.64 | 666.02 | 3,878.96 |
| Charge for the year | - | 90.85 | 15.46 | 100.11 | 0.04 | 206.45 |
| Adjusted on assets disposed/ written off | (1,215.02) | - | - | - | - | (1,215.02) |
| Balance as at 31st March, 2021 | - | 551.06 | 479.53 | 1,173.75 | 666.06 | 2,870.39 |
| Carrying amount: - | | | | | | |
| Balance as at 31st March, 2020 | 2,430.04 | 365.71 | 49.49 | 228.05 | 10.62 | 3,083.91 |
| Balance as at 31st March, 2021 | - | 274.86 | 34.03 | 154.12 | 10.58 | 473.60 |

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

| 11. Other non-financial assets | As at 31st March 2021 (Rs. In'000') | As at 31st March 2020 (Rs. In'000') |
|---|---|---|
| Advance to suppliers | - | 96.00 |
| Other advances | - | 0.67 |
| Receivable from authorities (net) | - | 329.65 |
| | - | 426.32 |

| 12. Payables | As at 31st March 2021 (Rs. In'000') | As at 31st March 2020 (Rs. In'000') |
|---|---|---|
| (I) Trade payables | | |
| total outstanding dues of micro enterprises and small enterprises (Note 12.1) | - | - |
| total outstanding dues of other than micro enterprises and small enterprises | - | 64.39 |
| (II) Other Payables | | |
| total outstanding dues of micro enterprises and small enterprises (Note 12.1) | - | - |
| total outstanding dues of other than micro enterprises and small enterprises | 36.00 | 36.00 |
| | 36.00 | 100.39 |

12.1 "There are no dues to Micro and Small Enterprises as defined under Micro, Small & Medium Enterprises Development Act, 2006 which are outstanding for a period more than 45 days as on the balance sheet date.

The above information regarding Micro and Small Enterprises has been determined on the basis of information available with the Company and has been duly relied upon by the auditors of the Company."

| 13. Borrowings (other than debt securities) | As at 31st March 2021 (Rs. In'000') | As at 31st March 2020 (Rs. In'000') |
|---|---|---|
| Borrowings in India (unsecured) | | |
| Loan from others | 46,887.92 | 9,374.00 |
| | 46,887.92 | 9,374.00 |

| 14. Other financial liabilities | As at 31st March 2021 (Rs. In'000') | As at 31st March 2020 (Rs. In'000') |
|---|---|---|
| Other expenses payable | 122.90 | 340.99 |
| Lease liability | - | 2,533.12 |
| | 122.90 | 2,874.11 |

| 15. Provisions | As at 31st March 2021 (Rs. In'000') | As at 31st March 2020 (Rs. In'000') |
|---|---|---|
| Contingent provision against standard assets: | | |
| Opening balance | 43.95 | 126.79 |
| Add/(less): Addition/(written off) during the year | 114.59 | (82.83) |
| Closing balance | 158.54 | 43.96 |

15.1 A contingent provision against standard assets has been created at 0.25% (0.25% till 31st March, 2020) of the outstanding standard assets in terms of the RBI circular Ref. No. DNBR (PD) CC.No. 002/03.10.001/2014-15 dated November 10, 2014.

| 16. Other non financial liabilities | As at 31st March 2021 (Rs. In'000') | As at 31st March 2020 (Rs. In'000') |
|---|---|---|
| Other payables | - | 3.54 |
| Payable to government authorities | 528.67 | 112.66 |
| | 528.67 | 116.20 |

| 17. Equity share capital | As at 31st March 2021 | | As at 31st March 2020 | |
|---|---|---|---|---|
| | Nos. | (Rs. In'000') | Nos. | (Rs. In'000') |
| **Authorized shares** | | | | |
| Equity shares of Rs. 10 each with voting rights | 3,00,00,000 | 3,00,000.00 | 3,00,00,000 | 3,00,000.00 |
| | **3,00,00,000** | **3,00,000.00** | **3,00,00,000** | **3,00,000.00** |
| **Issued, subscribed and fully paid- up shares** | 2,49,41,715 | 2,49,417.15 | 2,49,41,715 | 2,49,417.15 |
| Equity shares of Rs. 10 each fully paid up | **2,49,41,715** | **2,49,417.15** | **2,49,41,715** | **2,49,417.15** |

17.1 Reconciliation of number of equity shares and amount outstanding

| | As at 31st March 2021 | | As at 31st March 2020 | |
|---|---|---|---|---|
| | Nos. | (Rs. In'000') | Nos. | (Rs. In'000') |
| Equity Shares | | | | |
| - At the beginning of the period | 2,49,41,715 | 2,49,417.15 | 2,49,41,715 | 2,49,417.15 |
| - Issued during the year | - | - | - | - |
| **Total outstanding at the end of the period** | **2,49,41,715** | **2,49,417.15** | **2,49,41,715** | **2,49,417.15** |

### 17.2 Terms and rights attached to equity shares

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

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

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

| | As at 31st March 2021 | | As at 31st March 2020 | |
|---|---|---|---|---|
| | Nos. | % holding | Nos. | % holding |
| Fidelo Foods (P) Ltd. | 45,37,050 | 18.19% | 45,37,050 | 18.19% |
| Mukesh Sharma | 12,92,540 | 5.18% | 12,92,540 | 5.18% |
| Gopal Bansal | 32,87,943 | 13.18% | 27,84,500 | 11.16% |
| Tia Enterprises Private Limited | - | 0.00% | 15,30,000 | 6.13% |

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

| 18. Other equity | As at 31st March 2021 | (Rs. In '000') | As at 31st March 2020 | (Rs. In '000') |
|---|---|---|---|---|
| Special Reserve (u/s 45IC of RBI Act, 1934) | | | | |
| Balance as per last financial statements | 8,455.46 | | 8,455.46 | |
| Add: Transfer from surplus | 92.00 | | - | |
| Closing balance | | 8,547.46 | | 8,455.46 |
| Retained Earnings | | | | |
| Balance as per last financial statements | 25,753.02 | | 40,542.27 | |
| Add/(Less): Profit/ (loss) for the year | 460.02 | | (14,872.08) | |
| Less: Transfer to Special Reserve u/s 45-IC of RBI Act | (92.00) | | - | |
| Add/(Less): Contingent provision for Standard Assets | (114.59) | | 82.83 | |
| Net surplus in statement of profit and loss | | 26,006.45 | | 25,753.02 |
| Share premium | | | | |
| Opening balance | 1,61,081.05 | | 1,61,081.05 | |
| Add/(Less): Addition/ (deletion) during the year | - | | - | |
| Closing balance | | 1,61,081.05 | | 1,61,081.05 |
| Equity intrsuments through other comprehensive income | | | | |
| Opening balance | (2,922.20) | | (1,488.65) | |
| Remeasurement of equity instruments measured at FVTOCI | - | | (1,433.54) | |
| Derecognition of equity instruments measured at FVTOCI | 2,922.20 | | - | |
| Closing balance | | - | | (2,922.19) |
| | | **1,95,634.96** | | **1,92,367.34** |

| 19. Revenue from operation | For the year ended 31st March 2021 (Rs. In '000') | For the year ended 31st March 2020 (Rs. In '000') |
|---|---|---|
| Interest income | 4,918.26 | 7,339.32 |
| Trading of securities | 1,498.75 | 21,179.23 |
| Processing & other fees | 659.79 | 633.53 |
| Professional fee | 3,500.00 | - |
| | 10,576.80 | 29,152.08 |

| 20. Other income | For the year ended 31st March 2021 (Rs. In '000') | For the year ended 31st March 2020 (Rs. In '000') |
|---|---|---|
| Interest on Refund | 23.07 | - |
| Discount received | 10.00 | - |
| Profit Derognition of ROU asset | 103.08 | - |
| Profit on sale of property, plant & equipment | - | 187.12 |
| | 136.15 | 187.12 |

| 21. Finance cost | For the year ended 31st March 2021 (Rs. In '000') | For the year ended 31st March 2020 (Rs. In '000') |
|---|---|---|
| On financial liabilities measured at amortised cost: | | |
| - Interest on borrowings | 2,715.02 | 2,500.75 |
| - Interest on lease liability | - | 328.06 |
| | 2,715.02 | 2,828.81 |

| 22. Purchases of stock in trade | For the year ended 31st March 2021 (Rs. In '000') | For the year ended 31st March 2020 (Rs. In '000') |
|---|---|---|
| Purchase of shares & securities | - | 16,598.81 |
| | - | 16,598.81 |

| 23. Changes in inventories of stock in trade | For the year ended 31st March 2021 (Rs. In '000') | For the year ended 31st March 2020 (Rs. In '000') |
|---|---|---|
| Opening stock | 6,658.27 | 18,513.32 |
| Less: Closing stock | (4,797.03) | (6,658.27) |
| Changes in inventories | 1,861.24 | 11,855.05 |

| 24. Employee benefit expenses | For the year ended 31st March 2021 (Rs. In '000') | For the year ended 31st March 2020 (Rs. In '000') |
|---|---|---|
| Payment to directors: - | | |
| Sitting fee | 54.00 | 49.00 |
| Remuneration | - | 1,200.00 |
| Salaries to staff | 1,714.21 | 7,382.54 |
| Staff welfare expenses | 36.14 | 70.99 |
| Employer's contribution to ESI | 6.24 | 6.96 |
| | 1,810.59 | 8,709.49 |

| 25. Other expenses | For the year ended 31st March 2021 (Rs. In '000') | For the year ended 31st March 2020 (Rs. In '000') |
|---|---|---|
| Advertisement expenses | 72.72 | 74.34 |
| Bank charges | 2.63 | 7.47 |
| Conveyance expenses | 61.45 | 144.24 |
| Fees & subscription | 221.15 | 138.10 |
| GST reversal u/s 42 | 157.76 | 409.70 |
| Interest and penalties on statutory dues | - | 1.90 |
| Legal & professional charges | 529.34 | 887.32 |
| Listing fees | 300.00 | 300.00 |
| Loss on de-recognition of financial asset | 2,204.52 | - |
| Office maintenance | 48.96 | 48.04 |
| Other expenses | 39.08 | 62.51 |
| Payment to statutory auditors (note 28) | 65.00 | 72.00 |
| Postage, stamp & couriers | 6.65 | 6.73 |
| Rent, rates and taxes | - | 275.80 |
| Tour and traveling expenses | - | 98.26 |
| Vehicle running and maintenance expenses | 2.45 | 99.90 |
| | 3,711.71 | 2,626.31 |

26. Related parties : -

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

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

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

(b) Transactions made with the "Related parties" during the year: -

| S.No. | Transaction with | Nature of transaction | Transaction during the year | |
|---|---|---|---|---|
| | | | 31-Mar-21 (Rs. In "000") | 31-Mar-20 (Rs. In "000") |
| (I) | Key Management Personnel: - | | | |
| | Mr. Gopal Bansal | Remuneration | - | 1,200.00 |
| | | Loan taken | 3,240.14 | 350.00 |
| | | Loan repaid | 3,240.14 | 11,300.00 |
| | | Interest paid | 40.14 | 243.78 |
| | | Sitting fees | - | - |
| | Mr. Mukesh Sharma | Sitting fees | 11.00 | 11.00 |
| | Mr. Basant Mittal | Sitting fees | - | 8.00 |
| | Mr. Manoj Kumar Gupta | Remuneration | 960.00 | 960.00 |
| | Mr. Saurabh Chhabra | Sitting fees | 3.00 | 11.00 |
| (ii) | Relatives of Key Management Personnel: - | | | |
| | Mrs. Sunita Bansal | Rent paid | - | 54.00 |
| (iii) | Enterprises owned or significantly influenced by Key Management Personnel or their Relatives: - | | | |
| | M/s. Gopal Bansal (HUF) | | - | 54.00 |

(c) Closing balances with "Related parties" at the end of the year: -

| S.No. | Transaction with | Description | Balance as at | |
|---|---|---|---|---|
| | | | 31-Mar-21 (Rs. In "000") | 31-Mar-20 (Rs. In "000") |
| (i) | Holding Company | | | |
| | IFL Housing Finance Limited | Investment in equity shares | 3,97,238.00 | 3,97,238.00 |
| (ii) | Key Management Personnel: - | | | |
| | Mr. Mukesh Sharma | Sitting fees | Nil | 1.80 |
| | Mr. Manoj Kumar Gupta | Remuneration | 74.02 | 73.76 |
| | Mr. Saurabh Chhabra | Sitting fees | Nil | 6.30 |
| (iii) | Relatives of Key Management Personnel: - | | | |
| | Mrs. Sunita Bansal | Rent paid | Nil | 54.00 |
| (iv) | Enterprises owned or significantly influenced by Key Management Personnel or their Relatives: - | | | |
| | M/s. Gopal Bansal (HUF) | Rent paid | Nil | 54.00 |

27. Categories of Financial Instruments and its fair value measurement (Rs. in '000)

| Financial assets | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Measured at amortised cost | | |
| (i) Trade receivables | 3,867.50 | - |
| (ii)Cash and Bank balance | 1,044.31 | 1,389.18 |
| (iii) Loans | 63,414.92 | 17,580.94 |
| (iv) other financial assets | 0.42 | - |
| | | |
| Measured at Fair Value through Other Comprehensive Income | | |
| (i) Investment in quoted equity share | - | 5,598.91 |
| | | |
| Measured at Cost | | |
| (i) Investment in subsidiaries | 3,97,238.00 | 3,97,238.00 |
| Total | 4,65,565.15 | 4,21,807.03 |

| Financial liabilities | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Measured at amortised cost | | |
| (i) Borrowings | 46,887.92 | 9,374.00 |
| (ii) Other financial liabilities | 122.90 | 2,874.11 |
| (iii) Trade and other payables | 36.00 | 100.39 |
| Total | 47,046.82 | 12,348.50 |

Fair value Measurement

(Rs. in '000)

| Particulars | Fair value as at | | Fair value hierarchy | Valuation technique(s) and key input(s) |
|---|---|---|---|---|
| | As at March 31, 2021 | As at March 31, 2020 | | |
| Financial assets | | | | |
| Investment in quoted equity share | - | 5,598.91 | Level 1 | Fair Market Value |

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

| S.No. | Particular | 31-Mar-21 (Rs. In "000") | 31-Mar-20 (Rs. In "000") |
|---|---|---|---|
| (i) | In respect of statutory audit | 40.00 | 40.00 |
| (ii) | In respect of certification | 25.00 | 32.00 |
| | Total | 65.00 | 72.00 |

29.

| S.No. | Particular | 31-Mar-21 (Rs. In "000") | 31-Mar-20 (Rs. In "000") |
|---|---|---|---|
| (i) | Foreign currency earnings, expenditures and outgo | - | - |
| | Total | - | - |

30.

| S.No. | Particular | 31-Mar-21 (Rs. In "000") | 31-Mar-20 (Rs. In "000") |
|---|---|---|---|
| (i) | Contingent liabilities not provided for: - | | |
| | Guarantees issued to Financial Institutions/ Bankers for loans taken by IFL Housing Finance Limited | 5,70,000.00 | 5,70,000.00 |
| (ii) | Pending litigations by/ against the Company | - | - |
| | Total | 5,70,000.00 | 5,70,000.00 |

31. "India is currently witnessing the second wave of COVID-19 pandemic with significant increase in the number of infected cases. The resultant lockdowns are less restrictive for economic activity and are concentrated in the most-hit states. The Company's robust IT infrastructure and digital communication technology enables its workforce to work securely through remote technology ensuring business continuity. The Company has not experienced any significant impact on its liquidity position due to the sufficiency of working capital. The Company continues to be well geared to meet its funding needs.

In view of the above, the Management believes that there will not be significant impact of this outbreak in continuing its business operations, in maintaining its financial position and in its ability to continue as a going concern. The Company shall also continue to closely monitor any material changes arising of future economic conditions and potential impact on its business."

32. The Ind AS financial statements were approved for issue by the Board of Directors on 30th day of June, 2021.

33. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

34. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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

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

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

Signed for the purpose of Identification

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

**O. P. Pareek**
Partner
Membership No. 014238
UDIN: - 21014238AAAAJL2684

New Delhi, the 30th day of June, 2021

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

**Gopal Bansal**
**Managing Director**
DIN: 01246420

**Mukesh Sharma**
**Director**
DIN: 00274217

**Manoj Kumar Gupta**
**CFO**
PAN: AEUPG8308R

**Vijay Kumar Dwivedi**
**Company Secretary**
Membership No.: A36168

# *INDEPENDENT AUDITOR'S REPORT*

**To**
**The members of**
**INDIA FINSEC LIMITED**

**Report on the Audit of Consolidated Financial Statements**

**Opinion**

We have audited the accompanying consolidated financial statements of **INDIA FINSEC LIMITED** ("hereinafter referred to as the Holding Company") and its subsidiary (Holding and subsidiary together referred to as "the Group"), which comprise the consolidated balance sheet as at 31st March 2021, the consolidated statement of profit and loss, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the consolidated state of affairs of the Company as at 31st March, 2021, and the consolidated **Net Profit** (including other comprehensive income), consolidated changes in equity and its consolidated cash flows for the year ended on that date.

**Basis for Opinion**

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

**Key Audit Matters**

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

| S.No. | Key audit matters | Auditor's response |
|---|---|---|
| 1. | **Loans and advances: -**<br><br>Loans are to be disclosed at Amortised Cost using Effective Interest Method prescribed under Ind AS 109 on 'Financial Instruments'.<br><br>We focused on the conditions of disbursement and appropriateness of sanctioning process of the loan granted by the Company. | Our audit procedure inter- alia includes the following: -<br>5. We evaluated the control environment including authorization, sanctioning and disbursement of significant loans advanced during the year.<br>6. We evaluated the control environment of levying the processing fees on significant loans advanced by the company and its treatment in books of accounts in accordance with Ind AS 109.<br><br>7. We have obtained external confirmations from third parties in respect of transactions and closing balance for significant loans advanced by the company.<br><br>We tested all material entries recorded in connection with the loan advance and interest thereon to determine whether the accounting was appropriate. |

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

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

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

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

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

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

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Companies Act, 2013 that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.
In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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

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

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

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

(vi) Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

(vii) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

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

(ix) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

(x) Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

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

**Other Matters**

We did not audit the financial statements of one subsidiary whose financial statements reflect total assets of Rs. 11,30,022.78 thousand as at 31st March, 2021, total revenues of Rs. 1,64,319.99 thousand and net cash flows amounting to Rs. 57,770.37 thousand for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on the reports of the other auditors.

**Report on Other Legal and Regulatory Requirements**

As required by Section 143(3) of the Act, we report that:

h. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

i. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

j. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

k. In our opinion, the aforesaid consolidated financial statements comply with the accounting standards specified under Section 133 of the Act;

l. On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2021 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary company, none of the directors of the Group companies is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.

m. With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate Report in **Annexure A**. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

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

   i. The consolidated financial statements have disclosed the impact, if any of pending litigations on the consolidated financial position of the Group in its consolidated financial statements (Refer to note no. 35 of the consolidated financial statements).

   ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

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

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

**Sd/-**
**O.P. Pareek**
**Partner**
**Membership No. 014238**
**UDIN: - 21014238AAAAJN5309**

**New Delhi, the 30th day of June, 2021**

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

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

In conjunction with our audit of the consolidated financial statement of the Company as of and for the year ended 31st March 2021, we have audited the internal financial controls over financial reporting of **INDIA FINSEC LIMITED** (hereinafter referred to as "the Holding Company") along with its subsidiary (the Holding Company and its subsidiaries together referred to as "the Group") as on that date.

**Management's Responsibility for the Internal Financial Controls**

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

**Auditor's Responsibility**

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

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

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

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

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

(4) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;

(5) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and the receipt and expenditures of the Company are being only in accordance with authorizations of management and directors of the Company; and

(6) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

**Opinion**

In our opinion, to the best of information and according to explanation given to us and taking into consideration the reports of the other auditors referred to in the Other Matters paragraph below, the Group have maintained in all material aspects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2021, based on "the internal financial controls over financial reporting criteria considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India".

**Other Matters**

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

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

**Sd/-**
**O.P. Pareek**
**Partner**
**Membership No. 014238**
**UDIN: - 21014238AAAAJN5309**

**New Delhi, the 30th day of June, 2021**

## INDIA FINSEC LIMITED

CIN: L65923DL1994PLC060827

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2021

| Particulars | Notes | As at 31st March 2021 (Rs. In '000') | As at 31st March 2020 (Rs. In '000') |
|---|---|---|---|
| ASSETS | | | |
| **Financial assets** | | | |
| Cash and cash equivalents | 3 | 88,874.80 | 31,449.30 |
| Receivables | | | |
| Trade Receivables | 4 | 3,867.50 | - |
| Loans | 5 | 9,38,727.94 | 8,04,129.29 |
| Investments | 6 | 1,03,615.01 | 36,518.67 |
| Other financial assets | 7 | 34,702.08 | 63,026.35 |
| **Non-financial assets** | | | |
| Inventories | 8 | 4,797.03 | 6,658.27 |
| Current tax assets (net) | | 21,836.17 | 15,290.02 |
| Deferred tax assets (net) | 9 | 4,785.45 | 4,391.76 |
| Property, plant & equipment | 10 | 18,094.05 | 10,783.00 |
| Intangible assets under development | 11 | - | 275.00 |
| Goodwill | | 979.89 | 979.89 |
| Other intangible assets | 12 | 4,906.10 | 5,994.91 |
| Other non financial assets | 13 | 1,364.80 | 1,264.50 |
| **Total Assets** | | **12,26,550.82** | **9,80,760.96** |
| LIABILITIES AND EQUITY | | | |
| **Financial liabilities** | | | |
| Payables | 14 | | |
| (i) total outstanding dues of micro enterprises and small enterprises | | - | 15.87 |
| (ii) total outstanding dues of creditors other than micro enterprises and small enterprises | | 36.00 | 546.47 |
| Borrowings (other than debt securities) | 15 | 5,06,671.80 | 3,67,414.96 |
| Other financial liabilities | 16 | 18,827.72 | 11,835.57 |
| **Non-financial liabilities** | | | |
| Provisions | 17 | 158.54 | 43.95 |
| Other non financial liabilities | 18 | 730.94 | 286.48 |
| EQUITY | | | |
| Equity share capital | 19 | 2,49,417.15 | 2,49,417.15 |
| Other equity | 20 | 2,75,522.40 | 2,37,698.28 |
| | | 5,24,939.55 | 4,87,115.43 |
| Non Controlling Interest | | 1,75,186.27 | 1,13,502.23 |
| **Total Liabilities and Equity** | | **12,26,550.82** | **9,80,760.96** |
| | | - | |

Notes to the consolidated financial statements 1-41

The accompanying notes form an integral part of the consolidated financial statements.
As per our report of even date

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

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

**O. P. Pareek**
Partner
Membership No. 014238
UDIN: - 21014238AAAAJN5309

**Gopal Bansal**
Managing Director
DIN: 01246420

**Mukesh Sharma**
Director
DIN: 00274217

New Delhi, the 30th day of June, 2021

**Manoj Kumar Gupta**
CFO
PAN: AEUPG8308R

**Vijay Kumar Dwivedi**
Company Secretary
Membership No.: A36168

## INDIA FINSEC LIMITED

CIN: L65923DL1994PLC060827

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2021

| Particulars | Notes | For the year ended on 31st March 2021 (Rs. In '000') | For the year ended on 31st March 2020 (Rs. In '000') |
|---|---|---|---|
| REVENUE | | | |
| Revenue from operations | 21 | 1,74,896.80 | 1,76,607.64 |
| Other income | 22 | 7,603.90 | 4,456.34 |
| Total Revenue (I) | | 1,82,500.70 | 1,81,063.98 |
| EXPENSES | | | |
| Finance costs | 23 | 48,956.28 | 44,802.02 |
| Purchases of stock in trade | 24 | - | 16,598.81 |
| Changes in inventories of stock in trade | 25 | 1,861.24 | 11,855.05 |
| Employee benefit expenses | 26 | 37,106.60 | 37,952.04 |
| Depreciation | 10 | 4,390.37 | 6,712.29 |
| Other expenses | 27 | 28,881.56 | 23,363.70 |
| Total (II) | | 1,21,196.05 | 1,41,283.91 |
| Profit/ (loss) before exceptional items and tax (I-II) | | 61,304.65 | 39,780.07 |
| Exceptional items | | 31.30 | - |
| Profit/ (loss) before tax | | 61,335.95 | 39,780.07 |
| Tax Expense | | | |
| Current tax | | (15,562.23) | (13,046.00) |
| Deferred tax | | 1,420.41 | 746.99 |
| Profit/ (loss) after tax (III) | | 47,194.13 | 27,481.06 |
| OTHER COMPREHENSIVE INCOME | | | |
| (i) Items that will not be reclassified to profit or loss | | | |
| - Equity instrument through other comprehensive income- gain/ (loss) | | 3,948.92 | (1,937.22) |
| - Debt Oriented Mutual Fund instruments through other comprehensive income- gain/ (loss) | | (1,026.72) | 590.18 |
| (ii) Income tax relating to items that will not be reclassified to profit or loss | | - | 339.49 |
| (iii) Items that will be reclassified to profit or loss | | (590.18) | (37.70) |
| (iv) Income tax relating to items that will be reclassified to profit or loss | | 164.19 | 10.49 |
| Total Other Comprehensive Income (IV) | | 2,496.21 | (1,034.76) |
| Total Comprehensive Income (III+IV) | | 49,690.34 | 26,446.30 |
| Net Profit attributable to: - | | | |
| a) Owners of the parent | | 34,490.27 | 17,680.32 |
| b) Non controlling interest | | 12,641.27 | 9,800.74 |
| Other Comprehensive Income attributable to: - | | | |
| a) Owners of the parent | | 3,448.44 | (1,116.31) |
| b) Non controlling interest | | (952.23) | 81.55 |
| Total Comprehensive Income attributable to: - | | | |
| a) Owners of the parent | | 37,938.70 | 16,564.00 |
| b) Non controlling interest | | 11,689.04 | 9,882.29 |
| Earning per equity share (EPS) | | | |
| [nominal value of share Rs. 10] | | | |
| Basic (Amount in Rs.) | | 1.89 | 0.11 |
| Diluted (Amount in Rs.) | | 1.89 | 0.11 |
| Notes to the consolidated financial statements | 1-41 | | |

The accompanying notes form an integral part of the consolidated financial statements.
As per our report of even date

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

O. P. Pareek
Partner
Membership No. 014238
UDIN: - 21014238AAAAJN5309

New Delhi, the 30th day of June, 2021

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

| | |
|---|---|
| Gopal Bansal | Mukesh Sharma |
| Managing Director | Director |
| DIN: 01246420 | DIN: 00274217 |
| Manoj Kumar Gupta | Vijay Kumar Dwivedi |
| CFO | Company Secretary |
| PAN: AEUPG8308R | Membership No.: A36168 |

## INDIA FINSEC LIMITED

CIN: L65923DL1994PLC060827

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED ON 2021

| Particulars | For the year ended on 31st March 2021 (Rs. In '000') | For the year ended on 31st March 2020 (Rs. In '000') |
|---|---|---|
| CASH FLOW FROM OPERATING ACTIVITIES | | |
| Net profit/ (loss) before tax and after extra- ordinary items | 61,273.36 | 39,780.07 |
| Adjustments for items: - | | |
| Depreciation | 4,390.37 | 6,712.29 |
| Interest Income | (63.76) | 44,802.02 |
| Finance cost | 226.10 | - |
| Loss on de-recognition of financial asset | 2,204.52 | - |
| Profit on sale of Property, plant & equipment | (103.08) | (187.12) |
| Dividend received | (10.00) | - |
| Operating Profit before working capital changes | 67,917.51 | 91,107.26 |
| Working capital adjustments: - | | |
| (Increase)/ decrease in trade receivables | (3,867.50) | - |
| (Increase)/ decrease in loans | (1,34,598.66) | (56,356.23) |
| (Increase)/ decrease in other financial assets | 28,324.27 | (23,232.50) |
| (Increase)/ decrease in inventories | 1,861.24 | 11,855.05 |
| (Increase)/ decrease in other non-financial assets | (100.30) | (26,468.20) |
| Increase/ (decrease) in trade payables | (526.34) | 343.89 |
| Increase/ (decrease) in other financial liabilities | 9,525.28 | (6,833.09) |
| Increase/ (decrease) in other non-financial liabilities | 444.47 | (936.02) |
| Cash generated from operations | (31,020.03) | (10,519.84) |
| Direct Taxes Paid | (22,108.39) | (23,054.36) |
| Net cash flow from operating activities (A) | (53,128.42) | (33,574.20) |
| CASH FLOW FROM INVESTING ACTIVITIES | | |
| Purchase of property, plant & equipment | (12,767.65) | (8,138.09) |
| Sale of property, plant & equipments | - | 290.00 |
| Interest Income | 63.76 | - |
| Dividend Income | 10.00 | - |
| Sale/ (Purchase) of investments | (65,777.94) | (483.28) |
| Net cash flow from investing activities (B) | (78,471.83) | (8,331.37) |
| CASH FLOW FROM FINANCING ACTIVITIES | | |
| Finance costs | (226.10) | (44,802.02) |
| Net proceeds from borrowings | 1,39,256.84 | (23,566.72) |
| Proceeds from share premium | - | 1,925.20 |
| Changes in Non- controlling interest | 49,995.00 | 45,842.00 |
| Net cash flow from financing activities (C) | 1,89,025.74 | (20,601.54) |
| Net cash flow during the year (A + B + C) | 57,425.49 | (62,507.11) |
| Add: Opening cash and cash equivalents | 31,449.30 | 93,956.41 |
| Closing cash and cash equivalents | 88,874.79 | 31,449.30 |
| Components of cash and cash equivalents | | |
| Cash on hand | 2,731.60 | 2,195.85 |
| Balance with banks in current account | 11,818.69 | 29,253.45 |
| Balance with banks in fixed deposits (less than 3 months) | 74,324.50 | - |
| Total cash and cash equivalents (Note 3) | 88,874.79 | 31,449.30 |

The accompanying notes form an integral part of the consolidated financial statements.
As per our report of even date

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

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

| | | |
|---|---|---|
| O. P. Pareek | Gopal Bansal | Mukesh Sharma |
| Partner | Managing Director | Director |
| Membership No. 014238 | DIN: 01246420 | DIN: 00274217 |
| UDIN: - 21014238AAAAJN5309 | | |
| | Manoj Kumar Gupta | Vijay Kumar Dwivedi |
| | CFO | Company Secretary |
| | PAN: AEUPG8308R | Membership No.: A36168 |

New Delhi, the 30th day of June, 2021

INDIA FINSEC LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED ON 31ST MARCH 2021

A. **Equity share capital: -**

| Balance as at 1st April 2019 | Changes in equity share capital during the year | Balance as at 31st March 2020 |
|---|---|---|
| 2,49,417 | - | 2,49,417 |
| **Balance as at 1st April 2020** | **Changes in equity share capital during the year** | |
| 2,49,417 | - | 2,49,417 |

| Particulars | Reserve & Surplus | | | | Equity instruments through Other Comprehensive Income | Total Equity attributable to owners of the parent | Equity attributable to non-controlling interests | Total |
|---|---|---|---|---|---|---|---|---|
| | Special Reserve (u/s 45IC of the RBI Act, 1934) | In terms of section 29C of the NHB Act, 1987 and Sec 36(1)(viii) of Income | Retained Earnings | Share premium | | | | |
| **Balance as at 1st April 2019** | 8,455.46 | 5,739.01 | 47,223.56 | 1,61,081.05 | (1,464.83) | 2,21,034.25 | 57,779.63 | 2,84,927.12 |
| Profit/(loss) for the year | - | - | 17,680.32 | - | - | 17,680.32 | 9,800.74 | 27,481.06 |
| Other comprehensive income (net) | | | | | | | | |
| Remeasurement of investments carried at FVTOCI | - | - | - | - | (1,116.31) | (1,116.31) | 81.55 | (1,034.76) |
| Total other comprehensive income | - | - | - | - | (1,116.31) | (1,116.31) | 81.55 | (1,034.76) |
| **Total Comprehensive Income** | - | - | 17,680.32 | - | (1,116.31) | 16,564.01 | 9,882.29 | 26,446.30 |
| Contingent provision for standard assets | - | - | 82.83 | - | - | 82.83 | - | 82.83 |
| Appropriation to statutory reserves | - | 7,678.40 | (7,678.40) | - | - | - | - | - |
| Transfer to special reserves | - | - | - | - | - | - | - | - |
| Issue of Share Capital by subsidiary | - | - | - | 1,925.20 | - | 1,925.20 | 45,930.00 | 47,855.20 |
| Decrease of goodwill on consolidation | - | - | - | - | - | - | (1.69) | (1.69) |
| On Account of reversal of securities premium of non controlling interest | - | - | - | - | - | - | (88.00) | (88.00) |
| Provision in compliance with NHB Act | - | - | (1,908.01) | - | - | (1,908.01) | - | (1,908.01) |
| **Balance as at 31st March 2020** | 8,455.46 | 13,417.41 | 55,400.30 | 1,63,006.25 | (2,581.14) | 2,37,698.28 | 1,13,502.23 | 3,57,313.75 |
| **Balance as at 1st April 2020** | 8,455.46 | 13,417.41 | 55,400.30 | 1,63,006.25 | (2,581.14) | 2,37,698.28 | 1,13,502.23 | 3,57,313.75 |
| Profit for the year | - | | | | | | | |
| Other comprehensive income (net) | | | | | | | | |
| Remeasurement of investments carried at FVTOCI | - | - | - | - | 3,448.44 | 3,448.44 | (952.23) | 2,496.21 |
| Total other comprehensive income | - | - | - | - | 3,448.44 | 3,448.44 | (952.23) | 2,496.21 |
| **Total Comprehensive Income** | - | - | 34,490.27 | - | 3,448.44 | 37,938.71 | 11,689.04 | 49,627.75 |
| Appropriation to statutory reserves | 92.00 | - | (92.00) | - | - | - | - | - |
| Transfer to special reserves | - | 10,126.53 | (10,126.53) | - | - | - | - | - |
| Contingent provision for standard assets | - | - | (114.59) | - | - | (114.59) | - | (114.59) |
| On Issue of Share Capital by subsidiary | - | - | - | - | - | - | 49,995.00 | 49,995.00 |
| | | - | - | - | - | - | - | - |
| **Balance as at 31st March 2021** | 8,547.46 | 23,543.94 | 79,557.45 | 1,63,006.25 | 867.30 | 2,75,522.40 | 1,75,186.27 | 4,56,821.91 |

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

O. P. Pareek
Partner
Membership No. 014238
UDIN: - 21014238AAAAJN5309
New Delhi, the 30th day of June, 2021

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

| Gopal Bansal | Mukesh Sharma |
|---|---|
| Managing Director | Director |
| DIN: 01246420 | DIN: 00274217 |
| Manoj Kumar Gupta | Vijay Kumar Dwivedi |
| CFO | Company Secretary |
| PAN: AEUPG8308R | M. No. A36168 |

## Notes to Financial Statements

**1 Corporate Information**

India Finsec Limited is a company incorporated on 10th day of August 1994. It is registered with Registrar of Companies, Delhi. The company is primarily engaged in the business of Non- Banking Finance Company in India. The company has Regn No./SEBI Listed Scrip code INE474O01010.

**2 Significant Accounting Policies**

**(a) Statement of Compliances**

The Consolidated financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) specified under section 133 of the Companies Act, 2013, read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015.

**(b) Basis for preparation of consolidated financial statements:**

The consolidated financial statements have been prepared under the historical cost basis which is generally based on the fair value of consideration given in exchange for goods and services. However certain financial assets and liabilities are measured at fair value in compliances with IND-AS.

**(c) Principles of consolidation:**

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

(i) The financial statements of the holding Company and its subsidiaries are combined on a line by line basis by adding together like items of assets, liabilities, equity, incomes, expenses and cash flows, afterfully eliminating intra-group balances and intra-group transactions.

(ii) Profits or losses resulting from intra-group transactions that are recognized in assets, such as Inventory and Property, Plant and Equipment, are eliminated in full.

(iii) Goodwill represents the difference between the Company's share in the net worth of subsidiaries and the cost of acquisition at each point of time of making the investment in the subsidiaries.

(iv) The financial statements of the associate/ subsidiary companies used in the consolidation are drawn upto the same reporting date as of the Company i.e. year ended March 31, 2021.

(v) The Consolidated Financial Statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances.

(vi) The carrying amount of the parent's investment in each subsidiary is offset (eliminated) against the parent's portion of equity in each subsidiary.

(vii) The difference between the proceeds from disposal of investment in subsidiaries and the carrying amount of its assets less liabilities as on the date of disposal is recognized in the Consolidated statement of profit & loss being the profit or loss on disposal of investment in subsidiary.

(viii) Investment in Associates and Joint Ventures has been accounted under the Equity Method as per Ind AS 28 – Investments in Associates and Joint Ventures.

(ix) The Group accounts forits share of post-acquisition changes in net assets of associates and joint ventures, after eliminating unrealized profits and losses resulting from transactions between the Group and its associates and joint ventures.

(x) Non-Controlling Interest's share of profit / loss of consolidated subsidiaries for the year is identified and adjusted against the income of the Group in order to arrive at the net income attributable to shareholders of the Company.

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

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

**(d) Use of Estimates**

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

**(e) Critical accounting estimates:**

**(i) Income Taxes:**

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

**(ii) Impairment of Investments:**

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

**(iii) Provisions:**

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

**(f) Property plant and equipment**

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

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

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

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

| Particulars of property plant and equipment | Useful life (in years) |
|---|---|
| Furniture and fixture | 10 |
| Vehicles | 8 |
| Office equipment | 5 |
| Computer | 3 |

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

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

**(g) Intangible assets and amortisation therefore:**

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

**(h) Revenue recognition**

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

**(i) Interest Income:** The Company recognises interest income using Effective Interest Rate (EIR) on all financial assets subsequently measured at amortised cost. EIR is calculated by considering all costs and incomes attributable to acquisition of a financial asset or assumption of a financial liability and it represents a rate that exactly discounts estimated future cash payments/receipts through the expected life of the financial asset/financial liability to the gross carrying amount of a financial asset or to the amortised cost of a financial liability.

**(ii) Dividend:** Dividend income from investments is recognised when the shareholders' right to receive payment has been established which is generally when the shareholders approve the dividend.

**(iii) Other revenue from operations:** The Company recognises revenue from contracts with customers (other than financial assets to which Ind AS 109 'Financial Instruments' is applicable) based on a comprehensive assessment model as set out in Ind AS 115 'Revenue from contracts with customers'. The Company identifies contract(s) with a customer and its performance obligations under the contract, determines the transaction price and its allocation to the performance obligations in the contract and recognises revenue only on satisfactory completion of performance obligations. Revenue is measured at fair value of the consideration received or receivable.

**(i) Financial Instruments:**

**(i) Financial Assets**

**Recognition and initial measurement: -**

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

of loan assets have been recognized in revenue over the tenure of loan in proportion to the closing principal outstanding at the end of each year.

**Subsequent measurement: -**

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

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

**De- Recognition of financial Assets: -**

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

**(ii) Financial Liabilities:**

**Recognition and initial measurement: -**

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

**Subsequent measurement: -**

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

**De-recognition of financial liabilities**

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

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

(iii) **Off setting of financial instrument: -**
(iv)

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

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

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

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

**(v) Expected Credit Loss (ECL): -**

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 the financial assets categorised under 'Stage 2' and 'Stage 3'.
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.

**(j) Cash and cash equivalents**

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

**(k) Taxations**

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

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

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

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

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

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

**(l) Employee benefits**

**(i) Short-term employee benefits: -**

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

**(m) Earning Per Share**

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

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

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

**(n) Provision, Contingent Liabilities and Contingent Assets**

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

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

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

**(o) Leases:**

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

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

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

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

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

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

| 3. Cash and cash equivalents | As at 31st March 2021 (Rs. In '000') | As at 31st March 2020 (Rs. In '000') |
|---|---|---|
| Cash on hand (as certified) | 2,731.60 | 2,195.85 |
| Balances with banks | | |
| - In current account | 11,818.69 | 29,253.45 |
| In Other Deposit Accounts | | |
| - In fixed deposits (maturities less than 3 months) | 74,324.50 | - |
| | 88,874.79 | 31,449.30 |

| 4. Trade Receivables | As at 31st March 2021 (Rs. In '000') | As at 31st March 2020 (Rs. In '000') |
|---|---|---|
| Undisputed trade receivable-Less than 6 months | | |
| Consider good | 3,867.50 | - |
| | 3,867.50 | - |

| 5. Loans | As at 31st March 2021 (Rs. In '000') | As at 31st March 2020 (Rs. In '000') |
|---|---|---|
| (A) Loans | | |
| Loans repayable on demand | | |
| Housing loans | 6,34,469.99 | 6,49,288.59 |
| Loan Against Property | 2,78,707.80 | 1,58,650.45 |
| Loan Against Shares | 24,295.37 | - |
| Loan Against Gold Jewellery | 7,457.21 | - |
| **Total Gross (A)** | 9,44,930.37 | 8,07,939.04 |
| Less: Impairment Loss Allowance (Expected Credit Loss) | 6,202.43 | 3,809.75 |
| **Total Net (A)** | 9,38,727.94 | 8,04,129.29 |
| (B) (i) Secured by Tangible Assets | 9,15,135.00 | 8,02,439.04 |
| (ii) Secured by Intangible Assets | 24,295.37 | - |
| (ii) Unsecured | 5,500.00 | 5,500.00 |
| **Total Gross (B)** | 9,44,930.37 | 8,07,939.04 |
| (C) (I) Loans in India | | |
| (ii) Public Sector | - | - |
| (ii) Others | 9,44,930.37 | 8,07,939.04 |
| **Total Gross (c) (I)** | 9,44,930.37 | 8,07,939.04 |
| Less: Impairment Loss Allowance (Expected Credit Loss) | 6,202.43 | 3,809.75 |
| **Total Net (c) (I)** | 9,38,727.94 | 8,04,129.29 |
| (II) Loans Outside India | - | - |
| Less: Impairment Loss Allowance (Expected Credit Loss) | - | - |
| **Total Net (c) (II)** | - | - |
| **Total Net (c) (I) and (II)** | 9,38,727.94 | 8,04,129.29 |

5.1 Term lons are are secured by the company against equitable mortgage of properties of the borrowers.

| 6. Investments | As at 31st March 2021 (Rs. In '000') | As at 31st March 2020 (Rs. In '000') |
|---|---|---|
| In India | | |
| a) Mutual Fund (FVTPL/FVTOCI) | 1,03,615.01 | 30,919.76 |
| b) Equity Instrument | - | 5,598.91 |
| c) Total (a+b) | 1,03,615.01 | 36,518.67 |
| d) Less : Expected credit loss | - | - |
| Net fair value (c-d) | 1,03,615.01 | 36,518.67 |

| 7 Other financial assets | As at 31st March 2021 (Rs. In '000') | As at 31st March 2020 (Rs. In '000') |
|---|---|---|
| Prepaid expense | 0.42 | - |
| Balances with banks in fixed deposits with maturities more than 12 months | 10,000.00 | 20,115.79 |
| Capital advances to related parties (Note 44) | - | 25,000.00 |
| Security deposits Given | 1,374.73 | 657.33 |
| Advances to | 2,968.05 | 956.75 |
| Accrued interest on loan | 9,438.11 | 8,317.83 |
| Accrued interest on others | 4,479.70 | 478.65 |
| Ex-Gratia Receivables | 2,691.08 | - |
| Cash collateral | 3,750.00 | 7,500.00 |
| | 34,702.09 | 63,026.35 |

| 8. Inventories | As at 31st March 2021 (Rs. In '000') | As at 31st March 2020 (Rs. In '000') |
|---|---|---|
| At FVTPL | | |
| Stock in trade of equity shares (Quoted) | 4,797.03 | 6,658.27 |
| | 4,797.03 | 6,658.27 |

| 9. Deferred tax assets (net) | As at 31st March 2021 (Rs. In '000') | As at 31st March 2020 (Rs. In '000') |
|---|---|---|
| At start of the year | 1,396.44 | 956.49 |
| Credit/ (charge) to statement of profit and loss | 52.10 | (63.73) |
| Credit/ (charge) to other comprehensive income | (1,026.72) | 503.68 |
| At end of the year | 421.82 | 1,396.44 |

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

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

| Particulars | For the year ended on 31st March 2021 (Rs. In "000") | | | |
|---|---|---|---|---|
| | Opening balance | Recognised in statement of profit and loss | Recognised in OCI | Closing balance |
| Property, plant & equipment | 429.61 | 109.08 | - | 538.69 |
| Preliminary expense | 105.71 | (52.85) | - | 52.86 |
| Others | 3,856.45 | 1,364.18 | (1,026.72) | 5,220.63 |
| **Total** | **4,391.77** | **1,420.41** | **(1,026.72)** | **5,812.18** |

| Particulars | For the year ended on 31st March 2020 (Rs. In "000") | | | |
|---|---|---|---|---|
| | Opening balance | Recognised in statement of profit and loss | Recognised in OCI | Closing balance |
| Property, plant & equipments | 320.94 | 108.67 | - | 429.61 |
| Preliminary expense | 163.80 | (58.09) | - | 105.71 |
| Others | 2,656.36 | 696.41 | 503.68 | 3,352.77 |
| **Total** | **3,141.10** | **746.99** | **503.68** | **3,888.09** |

| 10. Property, plant & equipment | As at 31st March 2021 (Rs. In '000') | As at 31st March 2020 (Rs. In '000') |
|---|---|---|
| Carrying amount: - | | |
| Office premises (Right of Use asset) | 11,408.28 | 6,184.41 |
| Furniture & fixtures | 3,219.19 | 1,524.96 |
| Vehicles | 857.52 | 1,244.75 |
| Office equipments | 1,588.21 | 1,102.70 |
| Computers | 1,020.85 | 726.18 |
| | 18,094.05 | 10,783.00 |

| | Office premises (Rs. In '000') | Furniture & fixtures (Rs. In '000') | Vehicles (Rs. In '000') | Office equipments (Rs. In '000') | Computers (Rs. In '000') | Total (Rs. In '000') |
|---|---|---|---|---|---|---|
| Cost or Deemed Cost: - | | | | | | |
| Balance as at 1st April, 2019 | - | 1,265.26 | 2,901.73 | 2,164.87 | 1,578.11 | 7,909.97 |
| Additions during the year | 9,862.16 | 1,129.73 | 1,000.56 | 567.01 | 865.80 | 13,425.26 |
| Asset disposed/ written off during the year | - | - | (1,554.50) | - | - | (1,554.50) |
| Balance as at 31st March, 2020 | 9,862.16 | 2,394.99 | 2,347.79 | 2,731.88 | 2,443.91 | 19,780.73 |
| Additions during the year | 8,424.92 | 2,139.67 | - | 921.28 | 982.04 | 12,467.91 |
| Asset disposed/ written off during the year | (3,645.06) | - | - | - | - | (3,645.06) |
| Balance as at 31st March, 2021 | 14,642.02 | 4,534.66 | 2,347.79 | 3,653.16 | 3,425.95 | 28,603.58 |
| Accumulated depreciation: - | | | | | | |
| Balance as at 1st April, 2019 | - | 474.40 | 2,046.15 | 1,174.43 | 1,072.51 | 4,767.49 |
| Charge for the year | 3,677.75 | 395.63 | 508.51 | 454.75 | 645.21 | 5,681.85 |
| Adjusted on assets disposed/ written off | - | - | (1,451.62) | - | - | (1,451.62) |
| Balance as at 31st March, 2020 | 3,677.75 | 870.03 | 1,103.04 | 1,629.18 | 1,717.72 | 8,997.72 |
| Charge for the year | 771.00 | 445.44 | 387.23 | 435.77 | 687.36 | 2,726.80 |
| Adjusted on assets disposed/ written off | (1,215.02) | - | - | - | - | (1,215.02) |
| Balance as at 31st March, 2021 | 3,233.73 | 1,315.47 | 1,490.27 | 2,064.95 | 2,405.08 | 10,509.50 |
| Carrying amount: - | | | | | | |
| Balance as at 31st March, 2020 | 6,184.41 | 1,524.96 | 1,244.75 | 1,102.70 | 726.19 | 10,783.01 |
| Balance as at 31st March, 2021 | 11,408.29 | 3,219.19 | 857.52 | 1,588.21 | 1,020.87 | 18,094.08 |

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

| 11 Intangible asset under development | As at 31st March 2021 (Rs. In'000') | As at 31st March 2020 (Rs. In'000') |
|---|---|---|
| Intangible assets under development | - | 275.00 |
| | - | 275.00 |

| 12. Other Intangible assets | As at 31st March 2021 (Rs. In'000') | As at 31st March 2020 (Rs. In'000') |
|---|---|---|
| Carrying amount: - | | |
| Software | 4,906.10 | 5,994.91 |
| Total | 4,906.10 | 5,994.91 |
| Intangible assets under development (software) | | |
| Total | 4,906.10 | 5,994.91 |

| | Software (Rs. in '000') |
|---|---|
| Cost or Deemed Cost: - | |
| Balance as at 1st April 2019 | 242.50 |
| Additions during the year | 6,832.20 |
| Balance as at 31st March 2020 | 7,074.70 |
| Additions during the year | 574.75 |
| Assets disposal/ written off during the year | - |
| Balance as at 31st March 2021 | 7,649.45 |
| | |
| Charge for the year | 1,030.44 |
| Balance as at 31st March 2020 | 1,079.79 |
| Charge for the year | 1,663.56 |
| Balance as at 31st March 2021 | 2,743.35 |
| | |
| Carrying amount: - | |
| Balance as at 31st March 2020 | 5,994.91 |
| Balance as at 31st March 2021 | 4,906.10 |

| 13 Other non-financial assets | As at 31st March 2021 (Rs. In'000') | As at 31st March 2020 (Rs. In'000') |
|---|---|---|
| Advance to suppliers | - | 96.00 |
| Advance to employess | 615.00 | 244.00 |
| Other advances | - | 0.67 |
| Prepaid expense | 749.80 | 594.18 |
| Receivable from authorities (net) | - | 329.65 |
| | 1,364.80 | 1,264.50 |

| 14 Payables | As at 31st March 2021 (Rs. In'000') | As at 31st March 2020 (Rs. In'000') |
|---|---|---|
| Trade payables | | |
| (i) 'total outstanding dues of micro enterprises and small enterprises | - | 15.87 |
| (ii) 'total outstanding dues of other than micro enterprises and small enterprises | 36.00 | 546.47 |
| | 36.00 | 562.34 |

| 15. Borrowings (other than debt securities) | As at 31st March 2021 (Rs. In'000') | As at 31st March 2020 (Rs. In'000') |
|---|---|---|
| Secured | | |
| At Amortised Cost | | |
| Term Loans: | | |
| - From Banks | 2,55,188.31 | 2,57,086.63 |
| - From Other Non-Banking Financial Institutions | 1,26,710.49 | 1,10,328.33 |
| - From National Housing Bank | 1,24,773.00 | - |
| Others | | |
| - Loans from related parties (unsecured) | - | - |
| Total | 5,06,671.80 | 3,67,414.96 |
| Out of Above | | |
| In India | 5,06,671.80 | 3,67,414.96 |
| Outside India | - | - |

| 16. Other financial liabilities | As at 31st March 2021 (Rs. In'000') | As at 31st March 2020 (Rs. In'000') |
|---|---|---|
| Other expenses payable | 4,924.41 | 3,213.06 |
| Lease liability | 11,465.37 | 6,525.17 |
| Interest accrued on loan | 1,468.34 | 395.76 |
| Insurance of loan applicant | 545.68 | 786.14 |
| Payable to authorities (net) | 423.92 | 915.44 |
| | 18,827.72 | 11,835.57 |

| 17. Provisions | As at 31st March 2021 (Rs. In'000') | As at 31st March 2020 (Rs. In'000') |
|---|---|---|
| Contingent provision against standard assets: | | |
| Opening balance | 43.95 | 126.79 |
| Add/(less): Addition/(written off) during the year | 114.59 | (82.83) |
| Closing balance | 158.54 | 43.96 |

17.1 A contingent provision against standard assets has been created at 0.25% (0.25% till 31st March, 2020) of the outstanding standard assets in terms of the RBI circular Ref. No. DNBR (PD) CC.No. 002/03.10.001/2014-15 dated November 10, 2014

| 18. Other non financial liabilities | As at 31st March 2021 (Rs. In'000') | As at 31st March 2020 (Rs. In'000') |
|---|---|---|
| Other payables | - | 3.54 |
| Payable to government authorities | 528.67 | 112.66 |
| Security deposits | 202.27 | 170.27 |
| | 730.94 | 286.47 |

| 19. Equity share capital | As at 31st March 2021 | | As at 31st March 2020 | |
|---|---|---|---|---|
| | Nos. | (Rs. In'000') | Nos. | (Rs. In'000') |
| Authorized shares | | | | |
| Equity shares of Rs. 10 each with voting | 3,00,00,000 | 3,00,000.00 | 3,00,00,000 | 3,00,000.00 |
| Issued, subscribed and fully paid- up shares | 2,49,41,715 | 2,49,417.15 | 2,49,41,715 | 2,49,417.15 |

19.1 Reconciliation of number of equity shares and amount outstanding

| | As at 31st March 2021 | | As at 31st March 2020 | |
|---|---|---|---|---|
| | Nos. | (Rs. In'000') | Nos. | (Rs. In'000') |
| Equity Shares | | | | |
| - At the beginning of the period | 2,49,41,715 | 2,49,417.15 | 2,49,41,715 | 2,49,417.15 |
| - Issued during the year | - | - | - | - |
| Total outstanding at the end of the period | 2,49,41,715 | 2,49,417.15 | 2,49,41,715 | 2,49,417.15 |

### 19.2 Terms and rights attached to equity shares

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

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

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

| | As at 31st March 2021 | | As at 31st March 2020 | |
|---|---|---|---|---|
| | Nos. | % holding | Nos. | % holding |
| Fidelo Foods (P) Ltd. | 45,37,050 | 18.19% | 45,37,050 | 18.19% |
| Mukesh Sharma | 12,92,540 | 5.18% | 12,92,540 | 5.18% |
| Gopal Bansal | 32,87,943 | 13.18% | 27,84,500 | 11.16% |
| Tia Enterprises Private Limited | - | 0.00% | 15,30,000 | 6.13% |

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

| 20. Other equity | As at 31st March 2021 | (Rs. In '000') | As at 31st March 2020 | (Rs. In '000') |
|---|---|---|---|---|
| Statutory Reserves | | | | |
| Special Reserve (u/s 45IC of RBI Act, 1934) | | | | |
| Balance as per last balance sheet | 8,455.46 | | 8,455.46 | |
| Add: Transfer from Surplus | 92.00 | | - | |
| | | 8,547.46 | | 8,455.46 |
| In terms of section 29C of the NHB Act, 1987 | | | | |
| Balance as per last financial statements | 13,417.41 | | 5,739.01 | |
| Add: Transferred during the year | 10,126.53 | | 7,678.40 | |
| Net Balance of Special Reserve | | 23,543.94 | | 13,417.41 |
| Share premium | | | | |
| Opening balance | 1,63,006.25 | | 1,61,081.05 | |
| Add/(Less): Addition/ (deletion) during the year | - | | 1,925.20 | |
| Closing balance | | 1,63,006.25 | | 1,63,006.25 |
| Retained Earnings | | | | |
| Balance as per last financial statements | 55,400.30 | | 47,223.56 | |
| Add/(Less): Profit/ (loss) for the year | 34,490.27 | | 17,680.32 | |
| Less: - Loss on disposal of associate | - | | - | |
| Less: Transfer to Special Reserve u/s 45-IC | (92.00) | | - | |
| Less: Transfer to Special Reserve u/s 29C of | (10,126.53) | | (7,678.40) | |
| Add/(Less): Contingent provision for Standard Assets | (114.59) | | 82.83 | |
| Add/(Less): Transfer to provision in | - | | (1,908.01) | |
| Net surplus in statement of profit and loss | | 79,557.45 | | 55,400.30 |
| Equity intrsuments through other | | | | |
| Opening balance | (2,581.14) | | (1,464.83) | |
| Add/(Less): Addition/ (deletion) during the year | 3,448.44 | | (1,116.31) | |
| Closing balance | | 867.30 | | (2,581.14) |
| | | 2,75,522.40 | | 2,37,698.28 |

| 21. Revenue from operation | For the year ended 31st March 2021 (Rs. In '000') | For the year ended 31st March 2020 (Rs. In '000') |
|---|---|---|
| Interest income | 1,51,975.14 | 1,40,899.99 |
| Trading of securities | 1,498.75 | 21,179.23 |
| Processing & other fees | 17,922.91 | 14,528.42 |
| Professional fee | 3,500.00 | - |
| | 1,74,896.80 | 1,76,607.64 |

| 22. Other income | For the year ended 31st March 2021 (Rs. In '000') | For the year ended 31st March 2020 (Rs. In '000') |
|---|---|---|
| Interest on Refund | 63.76 | - |
| Discount received | 10.00 | - |
| Derognition of ROU asset | 340.76 | - |
| Profit on sale of property, plant & equipment | - | 187.12 |
| Surplus from deployment in cash | 3,511.69 | 4,269.22 |
| EPFO Rebate/Subsidy | 60.69 | - |
| Debt Oriented Mutual Fund instruments through profit and loss | 3,617.01 | - |
| | 7,603.91 | 4,456.34 |

| 23. Finance cost | For the year ended 31st March 2021 (Rs. In '000') | For the year ended 31st March 2020 (Rs. In '000') |
|---|---|---|
| On financial liabilities measured at amortised cost: | | |
| - Interest on borrowings | 46,337.49 | 44,316.00 |
| - Interest on lease liability | 226.10 | 486.01 |
| Impairment of financial instruments | 2,392.68 | - |
| | 48,956.27 | 44,802.01 |

| 24. Purchases of stock in trade | For the year ended 31st March 2021 (Rs. In '000') | For the year ended 31st March 2020 (Rs. In '000') |
|---|---|---|
| Purchase of shares & securities | - | 16,598.81 |
| | - | 16,598.81 |

| 25. Changes in inventories of stock in trade | For the year ended 31st March 2021 (Rs. In '000') | For the year ended 31st March 2020 (Rs. In '000') |
|---|---|---|
| Opening stock | 6,658.27 | 18,513.32 |
| Less: Closing stock | (4,797.03) | (6,658.27) |
| Changes in inventories | 1,861.24 | 11,855.05 |

| 26. Employee benefit expenses | For the year ended 31st March 2021 (Rs. In '000') | For the year ended 31st March 2020 (Rs. In '000') |
|---|---|---|
| Payment to directors: - | | |
| Sitting fee | 54.00 | 49.00 |
| Remuneration | 2,400.00 | 3,808.51 |
| Salaries to staff | 29,834.06 | 30,964.33 |
| Staff welfare expenses | 1,141.27 | 592.53 |
| Employer's contribution to ESI | 1,727.48 | 1,292.13 |
| Other employee benefit expense | 1,949.79 | 1,245.54 |
| | 37,106.60 | 37,952.04 |

| 27 Other expenses | For the year ended 31st March 2021 (Rs. In '000') | For the year ended 31st March 2020 (Rs. In '000') |
|---|---|---|
| Advertisement expenses | 102.79 | 268.80 |
| Bank charges | 2.63 | 7.47 |
| Conveyance expenses | 1,612.59 | 1,619.15 |
| Fees & subscription | 449.67 | 1,709.65 |
| GST reversal u/s 42 | 157.76 | 2,216.05 |
| Interest and penalties on statutory dues | 446.73 | 459.88 |
| Legal & professional charges | 3,619.89 | 4,817.03 |
| Listing fees | 300.00 | 300.00 |
| Loss on de-recognition of financial asset | 2,204.52 | 48.04 |
| Office maintenance | 48.96 | 62.51 |
| Other expenses | 5,906.96 | 6,862.82 |
| Payment to statutory auditors (note 31) | 165.00 | 45.00 |
| Internal audit fee | 100.00 | 100.00 |
| Postage, stamp & couriers | 370.63 | 128.21 |
| Rent, rates and taxes | 3,039.23 | 1,203.55 |
| Tour and traveling expenses | 326.62 | 701.17 |
| Vehicle running and maintenance expenses | 2.45 | 99.90 |
| Commission expense | 378.43 | 1,099.48 |
| Insurance expense | 70.99 | 41.56 |
| Valuation report | 1,262.37 | 1,484.30 |
| Software expense | 3,693.11 | 9.80 |
| Brance opening expense | 163.64 | 79.35 |
| Bad debt written off | 3,607.34 | - |
| Donations | | |
| - for Corporate Social Responsibility | 760.00 | - |
| - for other donations | 51.10 | - |
| Penal charges | 38.15 | - |
| | 28,881.56 | 23,363.72 |

28. Related parties : -

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

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

| | | |
|---|---|---|
| (i) | Key Management Personnel | Mr. Gopal Bansal (Managing Director) |
| | | Mr. Mukesh Sharma (Director) |
| | | Mr. Manoj Kumar Gupta (CFO) |
| | | Mr. Amit Kumar Agarwal (Director) |
| | | Mrs. Charu Bansal (Director) |
| | | Ms. Purva Mangal (Director) |
| | | Mr. Saurabh Chhabra (Past Director) |
| | | Ms. Varsha Bharti (Past Company Secretary) |
| | | Mr. Vijay Kumar Dwivedi (Company Secretary) |
| (ii) | Relatives of Key Management Perso | Mrs. Ganga Devi Bansal |
| | | Mrs. Sunita Bansal |
| (iii) | Enterprises owned or significantly in | M/s. Gopal Bansal (HUF) |

(b) Transactions made with the "Related parties" during the year: -

| S.No. | Transaction with | Nature of transaction | 31st March 2021 (Rs. In "000") | 31st March 2020 (Rs. In "000") |
|---|---|---|---|---|
| (I) | Key Management Personnel: - | | | |
| | Mr. Gopal Bansal | Remuneration | 1,500.00 | 1,683.33 |
| | | Loan taken | 3,240.14 | 350.00 |
| | | Loan repaid | 3,240.14 | 11,300.00 |
| | | Interest paid | 40.14 | 243.78 |
| | | Sitting fees | - | - |
| | Mr. Mukesh Sharma | Sitting fees | 11.00 | 11.00 |
| | Mr. Basant Mittal | Sitting fees | - | 8.00 |
| | Mr. Charu Goyal | Sitting fees | 5.00 | 8.00 |
| | Mr. Manoj Kumar Gupta | Remuneration | 960.00 | 960.00 |
| | Ms. Purva Mangal | Sitting fees | 19.00 | 11.00 |
| | Mr. Saurabh Chhabra | Sitting fees | 3.00 | 11.00 |
| | Ms. Varsha Bharti | Remuneration | 40.21 | 537.47 |
| (ii) | Relatives of Key Management Personnel: - | | | |
| | Mrs. Sunita Bansal | Rent paid | 862.50 | 1,170.00 |
| | | Salary paid | - | 1,000.00 |
| | | Advance given | 15,000.00 | 21,000.00 |
| | | Renumeration | 900.00 | Nil |
| | | Advance received back | 27,500.00 | 8,500.00 |
| (iii) | Enterprises owned or significantly influenced by Key Management Personnel or their Relatives: - | | | |
| | M/s. Gopal Bansal (HUF) | Rent Paid | 862.50 | 1,170.00 |
| | | Advance given | 15,000.00 | 12,500.00 |
| | | Advance received back | 27,500.00 | Nil |

(c) Closing balances with "Related parties" at the end of the year: -

| S.No. | Transaction with | Description | 31st March 2021 (Rs. In "000") | 31st March 2020 (Rs. In "000") |
|---|---|---|---|---|
| (i) | Key Management Personnel: - | | | |
| | Mr. Gopal Bansal | Director renumeration | 150.00 | 100.00 |
| | Mr. Mukesh Sharma | Sitting fees | Nil | 1.80 |
| | Mr. Manoj Kumar Gupta | Remuneration | 74.02 | 73.76 |
| | Ms. Purva Mangal | Sitting fees | Nil | 6.30 |
| | Mr. Saurabh Chhabra | Sitting fees | Nil | 6.30 |
| | Ms. Varsha Bharti | Salary | Nil | 46.60 |
| (ii) | Relatives of Key Management Personnel: - | | | |
| | Mrs. Sunita Bansal | Rent paid | Nil | 54.00 |
| | | Salary paid | Nil | 100.00 |
| | | Renumeration | 75.00 | Nil |
| | | Advance Given | Nil | 12,500.00 |
| (iii) | Enterprises owned or significantly influenced by Key Management Personnel or their Relatives: - | | | |
| | M/s. Gopal Bansal (HUF) | Rent paid | Nil | 54.00 |
| | | Advance Given | Nil | 12,500.00 |

29. Categories of Financial Instruments and its fair value measurement

| | As at 31st March 2021 (Rs. in '000) | As at 31st March 2020 (Rs. in '000) |
|---|---|---|
| **Financial assets** | | |
| Measured at amortised cost | | |
| (i) Trade receivables | 3,867.50 | - |
| (ii) Cash and cash equivalents | 88,874.80 | 31,449.30 |
| (iii) Loans | 9,38,727.94 | 8,04,129.29 |
| (iv) Other financial assets | 34,702.08 | 63,026.35 |
| Measured at Fair Value through Other Comprehensive Income | | |
| (i) Investment in quoted equity instruments | 1,03,615.01 | 36,518.67 |
| Total | **11,69,787.33** | **9,35,123.61** |

| | | |
|---|---|---|
| **Financial liabilities** | | |
| Measured at amortised cost | | |
| (i) Borrowings | 5,06,671.80 | 3,67,414.96 |
| (ii) Other financial liabilities | 18,827.72 | 11,835.57 |
| (iii) Trade and other payables | 36.00 | 546.47 |
| Total | **5,25,535.52** | **3,79,797.00** |

**Fair value Measurement**

| | As at 31st March 2021 (Rs. in '000) | As at 31st March 2020 (Rs. in '000) |
|---|---|---|
| Financial assets (Fair Market Value- Level 1) | | |
| Investment in quoted equity share | - | 36,518.67 |

30. Based on and to the extent of the information received by the Company from the suppliers regarding their status under the Micro, Small and Medium Enterprises

| Particular | As at 31st March 2021 (Rs. in '000) | As at 31st March 2020 (Rs. in '000) |
|---|---|---|
| Principal amount due remaining unpaid | Nil | 15.87 |
| Interest due on above remaining unpaid | Nil | Nil |
| Amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day | Nil | Nil |
| Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006 | Nil | Nil |
| Amount of interest accrued and remaining unpaid at the end of each accounting year | Nil | Nil |
| Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006 | Nil | Nil |

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

| S.No. | Particular | As at 31st March 2021 (Rs. In "000") | As at 31st March 2020 (Rs. In "000") |
|---|---|---|---|
| (i) | In respect of statutory audit | 140.00 | 85.00 |
| (ii) | In respect of certification | 50.00 | 77.00 |
| | Total | 190.00 | 162.00 |

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

| S.No. | Name of Subsidiary | Country of incorporation | % of Equity holding either directly or through subsidiaries | |
|---|---|---|---|---|
| | | | As at 31st March 2021 | As at 31st March 2020 |
| Direct Subsidiary | | | | |
| (i) | IFL Housing Finance Limited | India | 72.91% | 79.55% |

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

| Name of the entity in the group | Net Assets As a % of consolidated net assets | Share in Profit and Loss Amount (Rs. In "000") | Share in Profit and Loss As a % of consolidated profit and loss | Share in other Comprehensive Amount (Rs. In "000") | Share in other Comprehensive As a % of consolidated other comprehensive Income | Share in total Comprehensive Amount (Rs. In "000") | Share in total Comprehensive As a % of consolidated Total comprehensive Income |
|---|---|---|---|---|---|---|---|
| **Parent** | | | | | | | |
| India finsec Limited | 4.30 | 522.62 | 1.11 | 2,922.20 | 117.07 | 3,444.82 | 6.93 |
| **Subsidiary** | | | | | | | |
| IFL Housing Finance Limited | 95.70 | 46,671.51 | 98.89 | (425.99) | (17.07) | 46,245.52 | 93.07 |
| Total | 100.00 | 47,194.13 | 100.00 | 2,496.21 | 100.00 | 49,690.34 | 100.00 |

34.

| S.No. | Particular | As at 31st March 2021 (Rs. In "000") | As at 31st March 2020 (Rs. In "000") |
|---|---|---|---|
| (i) | Foreign currency earnings, expenditures and outgo | Nil | Nil |
| | Total | Nil | Nil |

35.

| S.No. | Particular | As at 31st March 2021 (Rs. In "000") | As at 31st March 2020 (Rs. In "000") |
|---|---|---|---|
| (i) | Contingent liabilities not provided for: - | | |
| | Guarantees issued to Financial Institutions/ Bankers for loans taken by IFL Housing Finance Limited | 5,70,000.00 | 5,70,000.00 |
| (ii) | | | None |
| | Pending litigations by/ against the Company | None | |
| | Total | 5,70,000.00 | 5,70,000.00 |

36. The Consolidated financial statements were approved for issue by the Board of Directors on 30th day of June, 2021.

37. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

38. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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

40. Figures have been rounded off to the nearest thousands of rupees.

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

Signed for the purpose of Identification

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

O. P. Pareek
Partner
Membership No. 014238
UDIN: - 21014238AAAAJN5309

New Delhi, the 30th day of June, 2021

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

Gopal Bansal
Managing Director
DIN: 01246420

Mukesh Sharma
Director
DIN: 00274217

Manoj Kumar Gupta
CFO
PAN: AEUPG8308R

Vijay Kumar Dwivedi
Company Secretary
Membership No.: A36168

**ATTENDANCE SLIP**

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

I/we hereby record my presence at the **Twenty Seventh Annual General Meeting** of the Shareholders of **India Finsec Limited** held on **Thursday, September 30, 2021 at 9:30 a.m.** at **D-16, First floor, Prashant Vihar, Sector-14, Rohini, New Delhi-110085.**

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

*Applicable for shareholders holding shares in electronic form.

.....

**ELECTRONIC VOTING PARTICULARS**

| E VOTING EVENT NUMBER (EVEN) | USER ID | PASSWORD |
|---|---|---|
| | | |

**Note:** Please read the instructions printed under the Note to the Notice of Twenty Seventh Annual General Meeting dated September 04, 2021 for e-voting process. The E-voting period starts from September 27, 2021 at 10:00 a.m., and will end on September 29, 2021 at 5:00 p.m. The voting module shall be disabled by CDSL for voting thereafter.

***PROXY FORM***
***(Form No. MGT-11)***
***[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]***

**CIN:** L65923DL1994PLC060827
**Name of the Company:** India Finsec Limited
**Registered Office:** D-16, First Floor, Prashant Vihar, Sector-14, Rohini, New Delhi-110085

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

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

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

| Resolution No. | Resolution |
|---|---|
| | **Ordinary Business** |
| 1. | To receive, consider and adopt the audited financial statement consisting of Balance Sheet for the year ended March 31, 2021 and the Statement of Profit and Loss, Cash Flow Statement for the year ended on March 31, 2021 along with the reports of the Board of Directors and the Auditors thereon. |
| 2. | To re-appoint a Director in place of Mr. Gopal Bansal, Executive Director (DIN: 01246420 ), who retires by rotation at this Annual General Meeting and, being eligible, offers himself for re-appointment. |
| | **Special Business** |
| 3. | To appoint Mr. Devi Dass Agarwal (DIN: 09152596) as a Non-Executive Independent Director of the Company. |

my/our proxy to attend and vote (on a poll) for me/us and on my/behalf at the 27th Annual General Meeting of the Company to be held on **Thursday, September 30, 2021 at 9:30 a.m. at D-16, First Floor, Prashant Vihar, Sector-14, Rohini, New Delhi-110085** and at any adjournment thereof in respect of such resolutions as are indicated below:

Signed this..... Day of.....2021

Affix Re. 1/- Revenue Stamp

**Signature of the member**.....

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

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

***Nomination Form***
***(Form No. SH-13)***
***[Pursuant to section 72 of the Companies Act, 2013 and rule 19(1) of the Companies (Share Capital and Debentures) Rules 2014]***

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

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

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

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

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

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

**(3) IN CASE NOMINEE IS A MINOR—**

(a) Date of Birth: _____
(b) Date of attaining maturity: _____
(c) Name of Guardian: _____
(d) Address of Guardian: _____

**Name:**

**Address:**

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

**Signature** **Witness with name and address**

***Cancellation or Variation of Nomination***
***(Form No. SH-14)***
***[Pursuant to sub-section (3) of section 72 of the Companies Act, 2013 and rule 19(9) of the Companies (Share Capital and Debentures) Rules 2014]***

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

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

or

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

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

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

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

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

**(3) IN CASE NOMINEE IS A MINOR—**

(a) Date of Birth: _____
(b) Date of attaining maturity: _____
(c) Name of Guardian: _____
(d) Address of Guardian: _____

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

**Witness with name and address**

**ROUTE MAP TO THE VENUE OF 27TH ANNUAL GENERAL MEETING OF THE COMPANY**

**Venue of AGM- D-16, 1st Floor, Prashant Vihar, Rohini, Delhi-110085.**

