

ABHINAV LEASING AND FINANCE LIMITED**ANNUAL REPORT FOR THE FINANCIAL YEAR 2017-18**

Regd Off: S-524, 1st Floor, Vikas Marg, Shakarpur, Delhi-110092

CIN: L67120DL1984PLC018748

Website: www.abhinavleasefinltd.in

Email id: abhinavleasefinltd@gmail.com

BOARD OF DIRECTORS

- ATUL KUMAR AGARWAL
- VINOD KUMAR
- ANKIT KUMAR AGARWAL
- MAMTA AGARWAL
- HIMANSHU AGARWAL

AUDITOR

**M/s. Moon &
Company
(Chartered
Accountants)**

ABHINAV LEASING AND FINANCE LIMITED

CORPORATE INFORMATION

<u>BOARD OF DIRECTORS</u> <div> <div>Mr. Atul Kumar Agarwal</div> <div>Director</div> </div> <div> <div>Mrs. Mamta Agarwal</div> <div>Managing Director</div> </div> <div> <div>Mr. Himanshu Agarwal</div> <div>C.F.O./ Director</div> </div> <div> <div>Mr. Ankit Kumar Agarwal</div> <div>Additional Director</div> </div> <div> <div>Mr. Vinod Kumar</div> <div>Additional Director</div> </div>	<u>AUDIT COMMITTEE</u> <div> <div>Mr. Ankit Kumar Agarwal</div> <div>Chairman</div> </div> <div> <div>Mr. Rabinder Gupta</div> <div>Member</div> </div> <div> <div>Mr. Himanshu Agarwal</div> <div>Member</div> </div>
<u>NOMINATION AND REMUNERATION COMMITTEE</u> <div> <div>Mr. Himanshu Agarwal</div> <div>Chairman</div> </div> <div> <div>Mr. Rabinder Gupta</div> <div>Member</div> </div> <div> <div>Mr. Ankit Kumar Agarwal</div> <div>Member</div> </div>	<u>STAKEHOLDER RELATIONSHIP COMMITTEE</u> <div> <div>Mr. Ankit Kumar Agarwal</div> <div>Chairman</div> </div> <div> <div>Mr. Rabinder Gupta</div> <div>Member</div> </div> <div> <div>Mr. Himanshu Agarwal</div> <div>Member</div> </div>
<u>SECRETARIAL AUDITORS</u> M/s K S Manish & Associates (Company Secretaries) C.O. No. 18237	<u>STATUTORY AUDITOR</u> M/s. Moon and Company (Chartered Accountants) FRN No.: 024693N
<u>INTERNAL AUDITOR</u> M/s. Goyal & Kedia (Chartered Accountants) FRN No.: 026817N	<u>REGISTRAR AND TRANSFER AGENT</u> Skyline Financial Service Pvt. Ltd. D-153A, 1st Floor, Okhla Industrial Area, Phase-1, New Delhi-110020 Email: viren@skylinert.com Ph. No.: 011-26812682
<u>REGISTERED OFFICE</u> S-524, 1st Floor, Vikas Marg Shakarpur, Delhi-110092 CIN: L67120DL1984PLC018748 Website: www.abhinavleasefinltd.in Email : abhinavleasefinltd@gmail.com Phone : 011-40108941	<u>STOCK EXCHANGE</u> BOMBAY STOCK EXCHANGE LIMITED

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DIRECTORS' REPORT

To,
The Members
Abhinav Leasing and Finance Limited

The Board of Directors hereby pleasure to present business and operation of your company along with audited financial statements, for the financial year ended March, 31, 2018.

FINANCIAL RESULTS

(Amount in ₹)

PARTICULARS	F.Y. 2017-18	F.Y. 2016-17
Sales / Income from operations	21,41,39,469.00	2,60,91,898.00
Other Income	1273509.00	9020854.00
Operating Costs	214893984.00	35042392.00
Profit before Depreciation, Interest and Tax (PBDIT)	2103952.00	5690878.00
Depreciation	126909.00	224678.00
Profit before Interest & Taxes (PBIT)	1977043.00	5466200.00
Financial / Interest Costs	1458049.00	5395840.00
Profit / (Loss) after Tax	403,197.00	2909.00
Provision against Standard Assets	1,02,400.00	93,040.00

COMPANY'S PERFORMANCE

Your Company has delivered another year, during the year company's performance was slightly better than previous year, and management is working upon to maintain this advancement for future year as well, so that performance would be better.

CHANGE IN NATURE OF BUSINESS

During the year there was no change in nature of business of the company.

DIRECTORS

Composition of Board of Directors:-

S.No.	NAME	DESIGNATION
1.	Mr. Atul Kumar Agarwal	Director
2.	Mrs. Mamta Agarwal	Managing Director
3.	Mr. Himanshu Agarwal	Director
4.	Mr. Rabinder Gupta*	Director
5.	Mr. Ankit Kumar Agarwal	Additional Director
6.	Mr. Vinod Kumar**	Additional Director

* Mr. Rabinder Gupta resigned w.e.f. 20th June 2018

** Mr. Vinod Kumar has been appointed as Additional Director w.e.f. 14th August, 2018.

Rotation of Director

Mr. Atul Kumar Agarwal (DIN 00022779) is liable to retire by rotation at the ensuing Annual General Meeting and being eligible offer himself for reappointment.

Regularization of Director

1. Mr. Ankit Kumar Agarwal was appointed as an Additional Director of the Company by the Board of Directors with effect from 3rd November, 2017, whose term expires in this ensuing Annual General Meeting. Hence, a Resolution for regularization of Mr. Ankit Kumar Agarwal is given in Notice of Annual General meeting.
2. Mr. Vinod Kumar was appointed as an Additional Director of the Company by the Board of Directors with effect from 14th August, 2018, whose term expires in this ensuing Annual General Meeting. Hence, a Resolution for regularization of Mr. Vinod Kumar is given in Notice of Annual General meeting.

CHANGE IN MANAGEMENT

During the year following appointments / resignation took place:-

S.No.	NAME	EVENT
1.	Mr. Himanshu Agarwal	Appointed as Chief Financial Officer (C.F.O.) w.e.f. 26 th May, 2017
2.	Mr. Ashwani Kumar Agarwal	Resigned from the post of Additional Director w.e.f. 19 th June, 2017.
3.	Mrs. Mamta Agarwal	Appointed as Managing Director in Annual General Meeting held on 29 th September, 2017.
4.	Mr. Malikhan Singh Yadav	Resigned from the post of directorship w.e.f. from 3 rd November, 2017.
5.	Mr. Ankit Kumar Agarwal	Appointed as Additional Director w.e.f. 3 rd November, 2017, whose term is liable to expire in this Annual General Meeting as per the Provisions of Companies Act, 2013 read with rules. Accordingly, resolution for regularization of Mr. Ankit Kumar Agarwal, is part of Notice.

Also, after the financial Year, Mr. Rabinder Gupta has resigned from the directorship with effect from 20th June, 2018 and Mr. Vinod Kumar (01390433) appointed as Additional Director, in the Board meeting held on 14th August, 2018, whose term is liable to expire in this Annual General Meeting as per the Provisions of Companies Act, 2013 read with rules. Accordingly, resolution for regularization of Mr. Vinod Kumar is also part of Notice.

SUBSIDIARY COMPANIES, JOINT VENTURES & ASSOCIATE COMPANIES

As on 31st March 2018, the Company has no Subsidiary, Joint-Venture or Associate companies. However on April 1, 2017 has Company has two subsidiary companies namely;

1. Panthini Construction Limited and
2. Humaila Real Estate Limited, but both companies struck off during the year.

CONSOLIDATED FINANCIAL STATEMENT

As the Company have no Subsidiary, Joint-Venture or Associate companies as on 31st March, 2018. Hence, there is no requirement for the company to prepare Consolidated Financial Statements.

REPORTING OF FRAUDS

There have been no instances of fraud reported by the Statutory Auditors under Section 143 of the Act read with relevant Rules framed thereunder either to the Company or to the Central Government.

CORPORATE GOVERNANCE

Even though as per the provisions of Companies Act, 2013 regarding corporate social responsibility are not attracted to the company yet the company has been indulged in the enhancement of shareholder value through sound business decisions, prudent to financial management and high standard of ethics throughout the organization.

DEPOSITS

During the year under review the Company has not accepted any deposit falling within the meaning of section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

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

During the year there was no significant and material order passed by any regulators or court or tribunal which would impact the going concern status and company's operations in future.

INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The internal Audit functions reports to the Chairman of the Audit Committee and to Chairman and Managing Director of the Company.

M/s Goyal & Kedia (Chartered Accountant FRN No. 026817N) is appointed as internal auditor of the company.

The Internal Audit monitors and evaluates the efficiency and adequacy of Internal control systems in the company. It's compliances with operating systems, accounting procedure and policies at all locations of the Company.

MEETING OF BOARD OF DIRECTORS

A calendar of Meetings is prepared and circulated in advance to the Directors. During the year eleven (11) Board Meetings held. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

During the year from 1st April, 2017 to 31st March, 2018, the board of directors met eleven (11) times 26.05.2017, 29.05.2017, 19.06.2017, 10.08.2017, 12.08.2017, 01.09.2017, 14.09.2017, 03.10.2017, 03.11.2017, 14.11.2017 and 13.02.2018.

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to Section 134 (5) of the Companies Act, 2013, your Directors report as under:

- a) That in the preparation of the annual accounts, the applicable accounting standards have been followed.
- b) That 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 at the end of the financial year and of the profit or loss of the company for that period.
- c) That the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- d) That the Directors have prepared the annual accounts on a going concern basis.
- e) That the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and operating effectively.
- f) That the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

DECLARATION BY INDEPENDENT DIRECTOR

The Company Board has two (2) Independent Directors i.e. Mr. Ankit Kumar Agarwal and Mr. Vinod Kumar. The company has received necessary declaration from both Directors under section 149 of the Companies Act, 2013 that they meet the criteria of independence laid down in section 149 of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015.

POLICY ON DIRECTOR'S APPOINTMENT AND REMUNERATION

The current policy is to have an appropriate mix of executive, non-executive and independent Director to maintain the independence of the Board, and separate its functions of governance and management. As of March, 31 2018, the Board had five (5) Directors.

The Policy of the company on directors' appointment and remuneration, including the criteria for determining qualifications, positive attributes, independence of a director and other matters, as required under sub-section (3)

of section 178 of Companies Act, 2013 is in place and maintained by company as per law.

EXPLANATIONS BY BOARD ON QUALIFICATIONS BY STATUTORY AUDITOR, SECRETARIAL AUDITOR

There is one qualification in Secretarial Auditor in their reports that company has not appointed Company Secretary. The Board clarified that management have appointed the same on 27/05/2018. However, there are no remarks by Secretarial Auditor in their Reports.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENT

The Company has not given any loan or guarantees covered under the provisions of section 186 of the Companies Act, 2013.

RELATED PARTY TRANSACTIONS

There are no materially significant related party transactions made by the Company with the Promoters, Key Management Personnel or other designated persons which may have potential conflict with interest of the Company at large. The AOC-2 as per the Companies Act, 2013 has been attached herewith under “**Annexure A**”.

RESERVES

The Company has transferred a sum of ₹ 4,03,197.00/- to Reserve for the financial year ended on 31st March, 2018.

DIVIDENDS

The management believes that the profits earned during the financial year must be retained and redeployed for the operations of the Company. As the Company needs further funds to enhance its business operations, upgrade the efficiency and to meet out the deficiencies in working capital, the Directors do not recommend any dividend on Equity Shares for the financial year 2017-18.

MATERIAL CHANGES AND COMMITMENTS

There is no material change took place between the end of the financial year of the company to which the financial statements relate and the date of the report in the company which may affect the financial position of the company.

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

The information required to be furnished under section 134 (3)(m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 relating to Conservation of Energy, Technology absorption and Foreign Exchange earnings and outgo is annexed in “**Annexure B**” herewith and forming part of this report.

BUSINESS RISK MANAGEMENT

The main objective of this policy is to ensure sustainable business growth with stability and to promote a pro-active approach in reporting, evaluating and resolving risks associated with the business. In order to achieve the key objective, the policy establishes a structured and disciplined approach to Risk Management, in order to guide decisions on risk related issues.

In today's challenging and competitive environment, strategies for mitigating inherent risks in accomplishing the growth plans of the Company are imperative. The common risks inter alia are: Regulations, competition, Business risk, Technology obsolescence, Investments, retention of talent and expansion of facilities.

Business risk, inter-alia, further includes financial risk, political risk, fidelity risk, legal risk. As a matter of policy, these risks are assessed and steps as appropriate are taken to mitigate the same.

CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

The Company need not to comply with the provisions of Section 135 of Companies act, 2013, as the company does not fall in eligibility ambit of Corporate Social Responsibility initiatives.

SHARE CAPITAL

The paid up Equity Share Capital as on 31st March, 2018 was Rs. 499.80 Lakhs @ Rs. 1/- per equity share. The Company not issued shares with differential voting rights nor granted stock options nor sweat equity.

INDUSTRIAL RELATIONS

During the year under review, your Company enjoyed cordial relationship with workers and employees at all level.

NBFC REGISTRATION

The company has been registered with Reserve Bank of India as Non Banking Finance Company vide Registration No. B-14.02146 Dated 21st November, 2000. Your Company is categorized as a Non-deposit taking Non-Banking Financial Company. The Company has not accepted any deposit from the public during the year pursuant to the provisions of Section 73 of Companies Act, 2013.

COMPLIANCE WITH RBI GUIDELINES

Your Company has complied with all the regulations of Reserve Bank of India as on 31st March, 2018; applicable to it as Non-Deposit taking Non-Banking Finance Company.

SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

As per the SEBI Circular No. SEBI/LAD-NRO/GN/2015-16/013 dated 2nd September, 2015, of Securities and Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015, the Paid up equity capital as on the last day of previous financial year i.e. on 31st March 2018 was ₹ 49,980,000 and Net Worth was ₹ 55,805,268.00/-

Therefore, in terms of the said circular the compliance with the corporate governance provisions as specified in **Regulations 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and Para C, D and E of Schedule V are not applicable** to our Company.

CODE OF CONDUCT

The Board of Directors has approved a Code of Conduct which is applicable to the Members of the Board and all employees in the course of day to day business operations of the Company.

AUDIT COMMITTEE

The Audit Committee of the Company duly constituted by the following members:-

- i) Mr. Ankit Kumar Agarwal*
- ii) Mr. Rabinder Gupta**
- iii) Mr. Himanshu Agarwal

*The Chairman of the Audit Committee is Mr. Ankit Kumar Agarwal w.e.f. 3rd November, 2017 in place of Mr. Malikhan Singh Yadav who resigned from the company from same date.

** Mr. Rabinder Gupta resigned w.e.f. 20th June 2018 and Mr. Vinod Kumar w.e.f. 14th August, 2018 appointed as Member.

Meetings of the Committee:

The Committee met 4 (Four) times on 29.05.2017, 12.08.2017, 14.11.2017 and 13.02.2018 during the financial year ended March 31, 2018.

The Minutes of the Meetings of the Audit Committee are discussed and taken note by the board of directors.

The Statutory Auditor, Internal Auditor and Executive Directors/ Chief Financial Officer are invited to the meeting as and when required.

The Composition of the Audit Committee and Their Attendance at the Meeting:

Name of Members	Category / Designation	No. of Meetings		Attendance Percentage (%)
		Held	Attended	
Ankit Kumar Agarwal*	Chairperson	4	2	50*
Rabinder Gupta**	Member	4	4	100
Himanshu Agarwal	Member	4	4	100
Malikhan Singh Yadav	Member	4	2	50

No sitting fees have been paid to any director during the year. The remuneration paid to all Key Managerial Personnel was in accordance with remuneration policy adopted by the company.

NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee of the Company duly constituted by the following members:-

- i) Mr. Himanshu Agarwal
- ii) Mr. Rabinder Gupta**
- iii) Mr. Ankit Kumar Agarwal*

* The Member of the Nomination and Remuneration Committee w.e.f. 3rd November, 2017 in place of Mr. Malikhan Singh Yadav is Mr. Ankit Kumar Agarwal who resigned from the company from same date.

** Mr. Rabinder Gupta resigned w.e.f. 20th June 2018 and Mr. Vinod Kumar w.e.f. 14th August, 2018 appointed as Member.

The Committee met 4 (Four) times on 29.05.2017, 12.08.2017, 03.11.2017 and 13.02.2018 during the financial year ended March 31, 2018.

The Composition of the Nomination and Remuneration Committee and Their Attendance at the Meeting:

Name of Members	Category / Designation	No. of Meetings		Attendance Percentage (%)
		Held	Attended	
Ankit Kumar Agarwal*	Chairperson	4	2	50*
Rabinder Gupta**	Member	4	4	100
Himanshu Agarwal	Member	4	4	100
Mr. Malikhan Singh Yadav	Member	4	2	50

No sitting fees have been paid to any director during the year. The remuneration paid to all Key Managerial Personnel was in accordance with remuneration policy adopted by the company.

STAKEHOLDERS RELATIONSHIP COMMITTEE

The Stakeholders Relationship Committee of the Company duly constituted by the following members:-

- i) Mr. Ankit Kumar Agarwal*
- ii) Mr. Rabinder Gupta**
- iii) Mr. Himanshu Agarwal

*The Chairman of the Audit Committee is Mr. Ankit Kumar Agarwal w.e.f. 3rd November, 2017 in place of Mr. Malikhan Singh Yadav who resigned from the company from same date.

** Mr. Rabinder Gupta resigned w.e.f. 20th June 2018 and Mr. Vinod Kumar w.e.f. 14th August, 2018 appointed as Member.

The Committee met 4 (Four) times on 29.05.2017, 12.08.2017, 14.11.2017 and 13.02.2018 during the financial year ended March 31, 2018.

The Composition of the Stakeholder Relationship committee and Their Attendance at the Meeting:

Name of Members	Category / Designation	No. of Meetings		Attendance Percentage (%)
		Held	Attended	
Ankit Kumar Agarwal*	Chairperson	4	2	50*
Rabinder Gupta**	Member	4	4	100
Himanshu Agarwal	Member	4	4	100
Malikhan Singh Yadav	Member	4	2	50

No sitting fees have been paid to any director during the year. The remuneration paid to all Key Managerial Personnel was in accordance with remuneration policy adopted by the company.

VIGIL MECHANISM / WHISTLE BLOWER POLICY

In order to ensure that the activities of the Company and its employees are conducted in a fair and transparent manner by adoption of highest standards of professionalism, honesty, integrity and ethical behavior the company has adopted a vigil mechanism policy.

PREVENTION OF INSIDER TRADING

The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate in securities by the Directors and 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 the 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.

EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON 31ST March, 2018

As required pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of annual return in MGT 9 as a part of this Annual Report as "Annexure C".

SECRETARIAL AUDIT REPORTS:

Pursuant to provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the Company has appointed M/S K S MANISH & ASSOCIATES, COMPANY SECRETARY IN WHOLE TIME PRACTICE to undertake the Secretarial Audit of the Company.

The Secretarial Audit Report is annexed herewith as "Annexure D" in the Form MR-3.

AUDITORS REPORTS

M/S MOON AND COMPANY, CHARTERED ACCOUNTANT (FRN 0024693N), who have been the Statutory Auditor of the Company for the F.Y. 2015-2020 for the term of Five (5) Years continues to be Statutory Auditor of the Company for the F. Y. 2018-19 also.

As per the MCA Notification Dated 7th May, 2018 read with The Companies (Amendment) Act, 2017 also read with section 139 of Companies Act, 2013, there is no need to ratify the term of auditor in every ensuing Annual General Meeting till the continuation of his term. Hence, no resolution has been inserted for ratification of Statutory Auditor. The Independent Auditor Report is annexed herewith.

PARTICULARS OF EMPLOYEES

Information as per Section 134 of the Companies Act, 2013 read with Companies (Particulars of Employees) Rules, 1975 are given in the statement which form a part of this report. However as per the provisions of section 136 of the