

MINDA FINANCE LIMITED

33RD ANNUAL REPORT

(2017-18)

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Corporate Information

BOARD OF DIRECTORS

Nirmal Kumar Minda

Non-Executive Director

Anand Kumar Minda

Non-Executive Director

Pramod Kumar Garg

Whole Time Director

Mohan Chander Joshi

Independent Director

Seema Gupta

Independent Director

Bankers

Punjab national bank

C-3/9, Prashant Vihar,

Delhi-110085

Chief Financial Officer

Shashi Shankar Malviya

Company Secretary

Dhiraj Aroraa

Corporate Office

B-64/1, Wazirpur Industrial Area,
Delhi-110052

Registered Office

B-64/1, Wazirpur Industrial Area,
Delhi-110052

Registrar and Share Transfer Agent

Link Intime India Pvt. Ltd.

44, Community Centre 2nd Floor,

Naraina Industrial Area, Phase-I,

Near PVR, Naraina, New Delhi-110028

Tel: (011) 41410592 - 94 / 25896893
/ 25897309

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Contact Person: Mr. Bharat Bhushan

BOARDS' REPORT

Dear Members,

Your Directors have pleasure in presenting the 33rd Annual Report on the business and operations of your Company along with the audited financial statements, for the financial year ended on March 31, 2018.

FINANCIAL HIGHLIGHTS

The Financial performance of your Company for the year ended March 31, 2018 is summarized below:

(Rs. in Lakhs, except per equity share data)

Particulars	Standalone		Consolidated	
	2017-18	2016-17	2017-18	2016-17
Revenue from Operations and Other Income	151.96	40.71	451.10	275.53
Profit before Tax	29.20	14.03	209.29	198.62
Less: Tax Expense	(0.40)	3.43	47.75	67.74
Profit for the year	29.60	10.60	161.54	130.87
Surplus opening balance	(6.39)	(14.87)	413.23	176.23
Amount Available for appropriation	17.28	(6.39)	567.28	413.23
Earnings per share (EPS) before extra-ordinary items				
Basic (in Rs.)	1.48	0.53	11.83	4.38
Diluted (in Rs.)	1.48	0.53	11.83	4.38
EPS after extra ordinary items				
Basic (in Rs.)	1.48	0.53	11.83	4.38
Diluted (in Rs.)	1.48	0.53	11.83	4.38

REVIEW OF OPERATIONS

STANDALONE

During the financial year 2017-18 the total revenue from operation and other income on standalone basis was Rs. 151.96 Lakh as compared to total revenue of Rs. 40.71 Lakh during the previous financial year. The net profit for the year under review was Rs. 29.60 Lakh as compared to net profit of Rs. 10.60 Lakh in the previous financial year.

CONSOLIDATED

During the financial year 2017-18 the total revenue from operations and other income on consolidated basis was Rs. 451.10 Lakh as compared to Rs. 275.53 Lakh for the previous year and the Company has earned net profits of Rs. 161.54 Lakh during the year as compared to net Profit of Rs. 130.87 Lakh in the previous year.

DIVIDEND

Your directors do not recommend any dividend for the financial year ended March 31, 2018.

TRANSFER TO RESERVES

No amount has been transferred to the General Reserve for the financial year ended March 31, 2018.

DEPOSITS

During the financial year 2017-18 your Company has not accepted any deposit within the meaning of Sections 73 and 74 of the Companies Act, 2013 read together with the Companies (Acceptance of Deposits) Rules, 2014 and as such, no amount of principal or interest was outstanding as the end of the year under review.

SHARE CAPITAL

As on 31st March 2018, the paid up Equity Share Capital of the Company was Rs. 200 Lakh and the paid up Preference Share Capital of the Company was Rs. 2370 Lakh. During the year under review, the Company has not issued any shares with differential voting rights neither granted stock options nor sweat equity.

CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated Financial Statement of the Company has been prepared in accordance with the applicable Accounting Standards issued by the Institute of Chartered Accountants of India and form the part of this Annual Report.

DIRECTORS

Your Company has Five (5) Directors consisting of Two (2) Independent Directors, Two (2) Non-Executive Directors and One Whole Time Director as on March 31, 2018.

a) INDEPENDENT DIRECTORS

In terms of definition of 'Independence' of Directors as prescribed under Section 149(7) of the Companies Act, 2013 and based on the confirmation/ disclosures received from the Directors, the following Non-Executive Directors are Independent Directors:

1. Mrs. Seema Gupta (DIN: 06944070)
2. Mr. Mohan Chander Joshi (DIN: 00011883)

b) WOMAN DIRECTOR

Mrs. Seema Gupta is an Independent Woman Director of the Company.

c) APPOINTMENTS/ RESIGNATIONS FROM THE BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

During the year under review, none of the Director's has resigned from the post of Directorship and no appointment has been made.

As on 31st March 2018, Mr. Pramod Kumar Garg, Whole Time Director; Mr. Shashi Shankar Malviya, Chief Financial Officer and Mr. Dhiraj Aroraa, Company Secretary of the Company are the Key Managerial Personnel as per the provisions of the Companies Act, 2013.

d) DIRECTORS RETIRING BY ROTATION

In accordance with the provisions of Section 152 of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014, Mr. Pramod Kumar Garg, Whole Time Director of the Company, is liable to retire by rotation at the ensuing AGM and being eligible has offered himself for reappointment.

e) DECLARATION BY INDEPENDENT DIRECTORS

In accordance with Section 149 (6) of Companies Act, 2013, the Independent directors have submitted the declaration of Independence, as required pursuant to section 149 (7) of the Companies Act, 2013, stating that they meet the criteria of independence as provided in sub section (6) of Section 149 of Companies Act, 2013.

MEETINGS

A calendar of meetings is prepared and circulated in advance to the Directors.

During the financial year 2017-18, Seven Board Meetings and Four Audit Committee meetings were held after complying with the provisions of the Companies Act, 2013. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013.

COMMITTEES OF THE BOARD

The Company has constituted committees which have been established as a part of the best corporate governance practices and are in compliance with the requirements of the relevant provisions of applicable laws and statutes.

The Company has following Committees of the Board:

- Audit Committee
- Nomination and Remuneration Committee
- Stakeholders Relationship Committee

During the year, there was no change in the composition of the Audit Committee of the Board, Currently, the Audit Committee is composed of three directors as follows:

- (i) Ms. Seema Gupta, Independent Director (Chairperson)
- (ii) Mr. Anand Kumar Minda, Director (Member)
- (iii) Mr. Mohan Chander Joshi, Independent Director (Member)

Further, in compliance Section 177(8) of the Companies Act, 2013 it is informed that during the year under review, the Board has accepted all the recommendations of the Audit Committee.

ANNUAL EVALUATION OF BOARD'S PERFORMANCE

Pursuant to the provisions of the Companies Act, 2013, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit, Nomination & Remuneration and Stakeholders Relationship Committees.

NOMINATION & REMUNERATION POLICY

The Remuneration policy of your Company is a comprehensive policy which is competitive, in consonance with the industry practices and rewards good performance of the employees of the Company. The policy ensures equality, fairness and consistency in rewarding the employees on the basis of performance against set objectives.

The current policy is to have an appropriate mix of executive and independent directors to maintain the independence of the Board, and separate its functions of governance and management. As on March 31, 2018, the Board consists of five members, out of which, one is Whole-time director, two are non-executive and other two are independent directors. There has been no change in the policy since the last fiscal year.

PREVENTION OF INSIDER TRADING

The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading 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 of Directors and all Designated Employees have confirmed with the compliance of the Code of Conduct of the Company.

FAMILIARISATION PROGRAMME FOR BOARD MEMBERS

Your Company has in place a structured induction and familiarisation programme for all its Directors including the Independent Directors. Your Company through such programmes familiarises not only the Independent Directors but any new appointee on the Board with a brief background of your Company, their roles, rights, responsibilities, nature of the industry in which it operates, business model operations, ongoing events. They are updated on all business related issues and new initiatives. They are also informed of the important policies of your Company including the 'Code of Conduct for Directors and Senior Management Personnel' and and the 'Code of Conduct for Prevention of Insider Trading.'

CORPORATE GOVERNANCE REPORT

As per Regulation 15 (2) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 compliance with the provisions of Corporate Governance Report shall not be mandatory for certain class of companies which inter-alia includes Companies having paid up equity share capital not exceeding Rs.10 crore and net worth not exceeding Rs.25 crore, as on the last day of the previous financial year. Since the paid up equity share capital of the Company as on 31st March 2018 does not exceed above prescribed limit, the provisions of Regulation 15 (2) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 are not applicable on the Company.

RISK MANAGEMENT

Your Company recognizes that risk is an integral part of business and is committed to managing the risks in a proactive and efficient manner. Your Company periodically assesses risks in the internal and external environment, along with the cost of treating risks and incorporates risk treatment plans in its strategy, business and operational plans.

Your Company, through its risk management process, strives to contain impact and likelihood of the risks within the risk appetite as agreed from time to time with the Board of Directors.

The Board of Directors of the company has framed the risk management policy and the risk appetite for your Company. There are no risks which in the opinion of the Board threaten the existence of your Company.

INTERNAL 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 department also assesses opportunities for improvement in business processes, systems and controls, provides recommendations, designed to add value to the organization and follows up on the implementation of corrective actions and improvements in business processes after review by the Audit Committee.

VIGIL MECHANISM / WHISTLE BLOWER POLICY

Your Company is committed to highest standards of ethical, moral and legal business conduct. Accordingly, in compliance with the provisions of Section 177 (10) of the Companies Act, 2013, the Board of Directors have formulated a Whistle Blower Policy to deal with instance of unethical practices, fraud and mismanagement or gross misconduct by the employees of the Company, if any, that can lead to financial loss or reputational risk to the organization. Employees aware of any alleged wrongful conduct are encouraged to make a disclosure to the Audit Committee.

No personnel of the Company were denied access to the Audit Committee.

AUDITORS AND AUDITORS' REPORT:

a) STATUTORY AUDITORS

M/s. A H P N & Associates, Chartered Accountants (Firm Registration No. 09452N), are the Statutory Auditors of the Company. As required under Section 139 of the Companies Act, 2013, the Company has obtained a written consent from the Auditors to their continued appointment and also a certificate from them to the effect that their existing appointment is in accordance with the conditions prescribed under the Companies Act, 2013 and the rules made thereunder.

The Auditors' Report does not contain any qualification, reservation or adverse remark. The Auditors' Report is enclosed with the financial statements in the Annual Report.

During the year, the Auditors have not reported any matter under Section 143(12) of the Act, therefore no detail is required to be disclosed under Section 134 (3)(ca) of the Act.

b) SECRETARIAL AUDITORS

In terms of the provisions of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, and upon the recommendations of the Audit Committee, the Board of Director has appointed Mr. Shailendra Kumar Roy, Practicing Company Secretary, as the Secretarial Auditor of the Company to conduct the Secretarial Audit of your Company for the financial year ending on March, 2019.

Further, a Secretarial Audit Report, for the financial year 2017-18, given by Mr. Shailendra Kumar Roy, the Secretarial Auditor of the Company, in prescribed form has been annexed herewith as "**Annexure A**" to this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

c) Explanations or comments by the Board on every qualification/reservation/ adverse remark or disclaimer made by the Statutory Auditor in his Audit Report and by the Secretarial Auditor in his Secretarial Audit Report

The Statutory Auditors have not given any qualification, reservation or made any adverse remarks or disclaimer in their Audit Report. Further, the Secretarial Auditor has not made any adverse comments or given any qualification, reservation or adverse remarks or disclaimer in their Audit Report.

EXTRACT OF ANNUAL RETURN

In terms of Section 92(3) read with Section 134 (3)(a) of the Companies Act, 2013, the extract of the Annual Return in Form MGT- 9 is annexed herewith as "**Annexure B**" to this Report.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management Discussion and Analysis Report for the year under review, as stipulated under SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 with the Stock Exchanges in India, is presented in a separate section and annexed at "**Annexure C**" to this report and forms part of the Annual Report.

RELATED PARTY TRANSACTIONS

All Related Party Transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There were no materially significant related party transactions made by the Company with related parties which may have a potential conflict with the interest of the Company.

All Related Party Transactions are placed before the Audit Committee for approval as per the Related Party Transactions Policy of the Company as approved by the Board.

Since all related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business and there was no material related party transaction entered by the Company during the year as per Related Party Transactions Policy, no details are required to be provided in Form AOC-2 prescribed under clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.

The details of the transactions with related parties are provided in the notes to accompanying standalone financial statements.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Pursuant to Section 186(11) of the Companies Act, 2013, read with Rule 11(2) of Companies (Meetings of Board and its Powers) Rules, 2014, the loans made, guarantees given or securities provided or acquisition of securities by a Non Banking Financial Company in the ordinary course of its business are exempted from disclosure in the Annual Report.

Since your Company is a Non Banking Financial Company registered with the Reserve Bank of India, it is exempted under the said section from giving disclosure regarding the Loans or guarantees given or securities provided.

As regards investments made by the Company, the details of same are provided in financial statement and notes forming part of the Annual Accounts of the Company for the year ended March 31, 2018.

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

The financial statement and other documents of the Subsidiary and Associates companies are not being attached with the financial Statement of the Company. Salient features of financial statements of Subsidiary, Associates and Joint Ventures in the prescribed format, forms part of the Financial Statement of the Company. However, the financial statements of the Subsidiary company are available on the website of the company. The Company will provide a copy of separate annual accounts in respect of its subsidiary to any shareholder of the Company who

asks for it and the said annual accounts will also be kept open for inspection at the Registered Office of the Company and that of the respective subsidiary companies.

Further, there was no company which had become or ceased to be the subsidiary, joint venture or associate company of the Company during the financial year under review.

CORPORATE SOCIAL RESPONSIBILITY

During the year under review, your Company does not meet the criteria laid under section 135(1) of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014 pertaining to the constitution of the Corporate Social Responsibility Committee and other provisions covered there under regarding expenditure to be made on certain specified activities as a part of the Corporate Social Responsibility. Therefore the Company has not framed the Corporate Social Responsibility Committee/ Policy and has not incurred any expenditure thereon.

CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION

Even though operations of the Company are not energy intensive, the management has been highly conscious of the importance of conservation of energy and technology absorption at all operational levels and efforts are made in this direction on a continuous basis.

In view of the nature of activities which are being carried on by the Company, the particulars as prescribed under Section 134(3)(m) of the Act read with rule 8 of the Companies (Accounts) Rules, 2014 regarding Conservation of Energy and Technology Absorption are not applicable to the Company and hence have not been provided.

FOREIGN EXCHANGE EARNINGS AND OUTGO

The Company has neither incurred any expenditure in foreign exchange nor earned any income in foreign exchange during the year under review.

DISCLOSURE RELATING TO REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND PARTICULARS OF EMPLOYEES

As required by provisions of Rule 5(2) of the Companies (Appointment and Remuneration of Managerial personnel), Rules, 2014, there were no employee who was in receipt of a remuneration of Rs. 1,02,00,000/- per year, if employed for the whole year or Rs. 8,50,000/- per month, if employed for the part of the year.

The ratio of remuneration of each of the director to median employee's remuneration and other details in terms of sub-section 12 of Section 197 of the Companies Act 2013 read with rule 5(1) of Companies (Appointment and remuneration of managerial personnel) Rules, 2014 is annexed herewith as "**Annexure D**" to this report.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134 of the Companies Act, 2013, the Directors confirm that:

- a) in the preparation of the annual accounts for the financial year ended March 31, 2018, the applicable accounting standards and Schedule III of the Companies Act, 2013, have been followed and there are no material departures from the same;
- b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair