34TH ANNUAL REPORT

2018-19

MINDA FINANCE LIMITED

CIN: L67120DL1985PLC021349

REGD. OFFICE: B-64/1, WAZIRPUR INDUSTRIAL AREA,

DELHI-110052

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MINDA FINANCE LIMITED

(CIN: L67120DL1985PLC021349)

Company Information:

Board of Directors

Mr. Nirmal Kr. Minda
Non-executive Director
(DIN: 00014942)

Mr. Anand Kumar Minda
Non-executive Director
(DIN: 00007964)

Mr. Pramod Kumar Garg
Whole-time Director
(DIN: 00008042)

Mr. Mohan Chander Joshi
Independent Director
(DIN: 00011883)

Ms. Seema Gupta
Independent Director
(DIN: 06944070)

Bankers:

Punjab National Bank
C-3/9, Prashant Vihar
Delhi-110085

Reference Information

Chief Financial Officer
Mr. Shashi Shankar Malviya

Company Secretary:
Mr. Lalit Khubchandani

Registered Office Address:
B-64/1, Wazirpur Industrial Area,
Delhi-110052

Corporate Office Address:
B-64/1, Wazirpur Industrial Area,
Delhi-110052

Statutory Auditors:
M/s. R. N. Saraf & Co.
Chartered Accountants

Registrar and Share Transfer Agent:

Link Intime India Pvt. Ltd.
Noble Heights, 1st floor,
Plot No NH-2, C-1 Block, LSC,
Near Savitri Market, Janakpuri,
New Delhi - 110058
Tel : 011 - 4141 0592/93/94
Telefax : 011 - 4141 0591
Email: delhi@linkintime.co.in
Contact Person: Mr. Bharat Bhushan

MINDA FINANCE LIMITED
(CIN: L67120DL1985PLC021349)
Regd. Office: B-64/1, Wazirpur Industrial Area, Delhi- 110052
Tel: 011-4937 3931 **E-mail**: lalitk@mindagroup.com
Website: www.mindafinance.com

BOARDS' REPORT

Dear Members,

Your Directors have pleasure in presenting their 34th Annual Report on the business and operations of your Company together with the audited financial statements for the financial year ended March 31, 2019.

FINANCIAL HIGHLIGHTS

The Financial performance of your Company for the year ended March 31, 2019 is summarized below:

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

Particulars	Standalone		Consolidated	
	2018-19	**2017-18**	**2018-19**	**2017-18**
Total Income	**150.46**	151.96	**322.87**	451.10
Total expenses	**29.19**	122.75	**413.82**	241.81
Profit before Tax	**121.27**	29.20	**90.94**	209.29
Less: Tax Expense	**16.33**	(0.40)	**22.29**	47.75
Profit after tax	**104.94**	29.20	**(113.23)**	161.54
Surplus opening balance	**17.28**	(6.39)	**502.64**	413.23
Amount Available for appropriation	**101.22**	17.28	**292.29**	502.64
Earnings per share (EPS) before extra-ordinary items:				
Basic (in Rs.)	**5.25**	1.46	**(9.47)**	11.83
Diluted (in Rs.)	**5.25**	1.46	**(9.47)**	11.83
EPS after extra ordinary items				
Basic (in Rs.)	**5.25**	1.46	**(9.47)**	11.83
Diluted (in Rs.)	**5.25**	1.46	**(9.47)**	11.83

REVIEW OF OPERATIONS

STANDALONE:

During the financial year 2018-19, the total income on standalone basis was Rs. 150.46 Lacs as compared to total income of Rs. 151.96 Lacs during the previous financial year. The net profit for the year under review was Rs. 104.94 Lacs as compared to net profit of Rs. 29.20 Lacs in the previous financial year.

CONSOLIDATED:

During the financial year 2018-19, the total income on consolidated basis was Rs. 322.87 Lacs as compared to Rs. 451.10 Lacs for the previous year and the Company has had a net loss of Rs. 113.23 Lacs during the year as compared to net Profit of Rs. 161.54 Lacs in the previous year.

DIVIDEND

Your Board of Directors have not recommended any dividend for the financial year under review.

TRANSFER TO RESERVES

The Company has transferred a reserve of Rs. 21,00,000/- as required under Section 45-IC of Reserve Bank of India Act, 1934 to the Statutory Reserve. Other than this, no amount has been transferred to the Reserve for the financial year ended March 31, 2019.

CHANGE IN NATURE OF BUSINESS

There was no any change in the nature of business of the company during the year.

SHARE CAPITAL

As on March 31, 2019, the authorized share capital of the Company stands at Rs. 60 crore divided into 20 Lacs equity shares of Rs. 10/- each and 14.50 Lacs 3% Non-cumulative Redeemable Preference Shares of Rs. 10/- each and the paid-up capital of the Company stands at Rs. 2 crores and the paid up Preference Share Capital of the Company at Rs. 23.70 crores. During the year under review, the Company has not issued any shares with differential voting rights neither granted stock options nor sweat equity.

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION

There were no material changes and commitments occurred between the end of the financial year as on March 31, 2018 and the date of this report which affects financial position of the Company.

DEATISL OF SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES AND

As on March 31, 2019, the Company had one subsidiary company named Bar Investments and Finance Private Limited in terms of the provisions of the Act. Further, as required under the Listing Regulations and Section 129 of the Act, the Consolidated financial statements of the Company were prepared by the Company in accordance with the applicable accounting standards and form a part of the Annual Report. A statement containing the salient features of the financial statements of subsidiaries, joint ventures and associates of the Company in

Form AOC-1, as required under the Companies (Accounts) Rules, 2014 form a part of the notes to the financial statements. The statement also provides the details of performance and financial position of each of the subsidiaries.

CONSOLIDATED FINANCIAL STATEMENTS

Pursuant to the provisions of Section 136 of the Act, the audited financial statements of the Company including consolidated financial statements and other documents required to be attached thereto and audited financial statements of each of the subsidiaries, are available on the website of the Company and may be accessed at **www.mindafinance.com.** These documents will also be available for inspection at the Registered Office of the Company and respective subsidiary companies between 11:00 A.M.-1:00 P.M. on all working days.

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.

DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP)

There are Five (5) Directors on the Board of your company, consisting of one (1) Whole-time Director, two (2) Non–Executive Directors and two (2) Independent Directors as on 31st March, 2019.

A. During the year under review, the following changes were taken place in the Directors and KMPs of the Company:

- The Board of Directors of your Company at its meeting held on March 29, 2019 based on the recommendation of Nomination and Remuneration Committee and on the basis of performance evaluation has approved, subject to approval of the members, re-appointment of Ms. Seema Gupta (DIN: 06944070) as an Independent Director, not liable to retire by rotation, for a second term of 3 (Three) years w.e.f. April 1, 2019 to March 31, 2022. The Board recommends to the members for re-appointment of Ms. Seema Gupta.

- Mr. Dhiraj Aroraa has been resigned as Company Secretary of the Company w.e.f. November 14, 2019.

- Mr. Lalit Khubchandani has been appointed as Company Secretary of the Company w.e.f. November 15, 2019.

- Pursuant to Section 152 of the Companies Act, 2013 and in accordance with Articles of Association of your Company, Mr. Nirmal K. Minda (DIN: 00014942), Director is liable to retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. The Board recommends to the members for re-appointment of Mr. Nirmal K. Minda.

- As on March 31, 2019, Mr. Pramod Kumar Garg, Whole-time Director; Mr. Shashi Shankar Malviya, Chief Financial Officer and Mr. Lalit Khubchandani, Company Secretary of the Company are the Key Managerial Personnel as per the provisions of the Companies Act, 2013.

B. Statement on declaration given by Independent Directors:

Pursuant to Section 149(7) of the Companies Act, 2013, Mr. Mohan Chander Joshi and Ms. Seema Gupta, Independent Directors of the Company, have submitted declaration(s) of independence that they meet the criteria of independence as laid down under Section 149(6) of the Act.

Further, None of the Directors of the Company is disqualified under Section 164 of the Companies Act, 2013.

NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS

During the year, the Board of Directors met 7 (Seven) times on 29 May, 2018, 10 August, 2018, 5 September, 2018, 27 October, 2018, 14 November, 2018, 9 February, 2019 and 30 March, 2019. The intervening gap between any two meetings was within the period prescribed by 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

AUDIT COMMITTEE:

In terms of the provisions of Section 177 of the Companies Act, 2013, the Company has duly constituted the Audit Committee comprises of following 3 (Three) Directors with independent Directors forming a majority:

Sl. No.	Name of the members	Designation
1.	Ms. Seema Gupta	Chairperson
2.	Mr. Anand Kumar Minda	Member
3.	Mr. Mohan Chander Joshi	Member

During the year, there was no change in the composition of the Audit Committee of the Board. Further, in compliance with Section 177(8) of the Companies Act, 2013, it is informed that during the year, the Board has accepted all the recommendations of the Audit Committee.

NOMINATION & REMUNERATION POLICY/ COMMITTEE:

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.

In terms of the provisions of Section 178 of the Companies Act, 2013, the Company has duly constituted the "Nomination and Remuneration Committee" consisting of 3 (Three) Directors with independent Directors forming a majority. The Company Secretary acts as a Secretary of the Committee.

The aforesaid policies of the Company on directors' appointment and remuneration, including criteria for determining qualifications, positive attributes, independence of a director and other matters, as required under sub-section (4) of Section 178 of the Companies Act, 2013, are available on the Company's website **www.mindafinance.com**. There has been no change in the said policies during the year under review.

STAKEHOLDER RELATIOSHIP COMMITTEE:

In terms of the provisions of Section 178 of the Companies Act, 2013, the Company has duly constituted the Stakeholders Relationship Committee comprises of 3 (Three) Directors with independent Directors forming a majority.

DIRECTORS' RESPONSIBILITY STATEMENT

In terms of Section 134(3)(c) read with Section 134(5), the Directors state that—

(a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

(b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for that period;

(c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

(d) the directors had prepared the annual accounts on a going concern basis; and

(e) 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.

Further in terms of Para 9 of Secretarial Standard – 1, issued by the Institute of Company Secretaries of India and approved by Ministry of Corporate Affairs, the Directors had devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards and that such systems are adequate and operating effectively.

BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013, the Board has carried out the 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. The evaluation process focused on various aspects of the Board and Committees functioning such as composition of the Board and Committees, experience and competencies.

EXTRACT OF ANNUAL RETURN

In terms of Section 92(3) read with Section 134 (3)(a) of the of the Companies Act, 2013, the extract of the Annual Return in Form MGT- 9 is annexed herewith as **Annexure-I** form part of this Report. The same is available on the website of the Company at **www.mindafinance.com**.

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 financial year ended March 31, 2019.

DEPOSITS

During the financial year 2018-19, 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.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All contract/arrangements/ transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis.
No material contracts or arrangements with related party were entered into during the year under review. Accordingly, no transactions are being reported in Form AOC-2 in terms of Section 134 of the Act read with rules made thereunder.

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

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.

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.