

SPARKLING (INDIA) FINSHARES LIMITED

24th ANNUAL REPORT
2016-2017

CIN: L74900DL1994PLC062222

Registered Office : 516, Kirti Shikhar Building,
Plot No. 11, District Centre, Janakpuri, New Delhi-58

Tel.: +91 11 65678111

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Website: www.sparklingfinshares.com

SPARKLING (INDIA) FINSHARES LIMITED



24TH ANNUAL REPORT 2016-17

CIN: L74900DL1994PLC062222

BOARD OF DIRECTORS

Mr. Pawan Aggarwal
Non Executive Non Independent Director

Ms. Cheruku Sagarika
Independent Director

Mr. Gandikota Yadagiri
Independent Director

Mr. Madan Gopal Sharma
Independent Director

CHIEF EXECUTIVE OFFICER

Mr. Surya Prakash Vadlamani

CHIEF FINANCIAL OFFICER

Mr. Durgaraju Ramu

AUDITORS

M/s Sushil Lal & Associates
Chartered Accountants

SECRETARIAL AUDITOR

Ms. Surbhi Bansal
Practicing Company Secretary

INTERNAL AUDITOR

M/s Sadh & Associates,
Chartered Accountants

REGISTRAR AND TRANSFER AGENT

Skyline Financial Services Private Limited

SHARES LISTED AT

BSE Limited
The Calcutta Stock Exchange Limited

BANKERS

HDFC Bank Limited
Axis Bank Limited

REGISTERED OFFICE

516, Kirti Shikhar Building, Plot No. 11,
District Centre, Janakpuri New Delhi - 110058 IN

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DIRECTOR'S REPORT

Directors' Report

To the Members,

We are pleased to present the 24th Annual Report on the business and operations for the year ended March 31, 2017, of Sparkling (India) Finshares Limited ("Company") along with the audited standalone financial statements for the year ended March 31, 2017.

BACKGROUND

Sparkling (India) Finshares Limited ("the Company") is a RBI registered 'Non Banking Finance Company (NBFC). The registered office of the Company situated at 516, Kirti Shikhar Building, Plot No. 11, District Centre, Janakpuri New Delhi - 110 058.

FINANCIAL SUMMARY/HIGH LIGHTS/PERFORMANCE OF THE COMPANY (STANDALONE)

The highlights of financial results of your Company for the Financial Year 2016-17 and 2015-16 are summarised below:

(Amount in Rs.)		
Particulars	2016-17	2015-16
Total revenue	1,819,132	6,656,080
Total expenses	5,785,639	1,658,358
Profit/Loss before tax	(3,966,507)	4,997,722
Tax expense (net of MAT Credit)	2,494	3,250
Profit/Loss after tax	(3,969,001)	4,994,472
Transfer to Reserve fund u/s 45-IC(1) of Reserve Bank of India Act, 1934	0	998894
Earnings per share	(0.99)	1.25

STATE OF COMPANY'S AFFAIRS / OPERATIONS & COMPANY'S PERFORMANCE

The Company is a Non-Banking Financial Company registered with the Reserve Bank of India. There has been no change in the business of the Company, during the year under review.

For the financial year ended March 31, 2017, your Company earned loss of Rs. 3,969,001 as against Profit of Rs. 4,994,472 in the previous financial year. The Earning

per share is also decreased during the year from Rs. (0.99) as against Rs. 1.25 in the previous financial year.

TRANSFER TO RESERVES

As per provisions of Section 45-IC of Reserve Bank of India Act, 1934, the NBFC Company is required to transfer sum not less than twenty percent of its net profit every year. This year company has incurred losses during the year so company has not transfer any amount for the financial year to the Statutory Reserve.

Besides this, your Company has not transferred any amount to reserve out of the profits of the year.

DIVIDEND

In view of need to conserve the resources of the company for the future growth, your Company's Directors do not recommend any dividend to the shareholders of the Company for the Financial Year 2016-17.

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

In the opinion of the Board, there has been no material changes and commitments, if any, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report.

SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES

The Company does not have any Subsidiary, Joint Venture or Associate Company.

SHARE CAPITAL

The paid up equity share capital as on March 31, 2017 was Rs. 4,00,05,000. There was no public issue, rights issue, bonus issue or preferential issue etc. during the year. The Company has not issued shares with differential voting rights, sweat equity shares nor has it granted any stock options.

RISK MANAGEMENT POLICY

Risk Management Policy identifies, communicate and manage risks across the organization. The policy also ensures that responsibilities have been appropriately delegated for risk management. Key Risk and mitigation measures are provided in the Management Discussion and Analysis annexed to the Annual Report.

INTERNAL FINANCIAL CONTROL SYSTEM

The Company has in place adequate internal financial controls across the organization. The same is subject to review periodically by the internal audit cell for its effectiveness. During the year, such controls were tested and no reportable material weakness in the design or operation was observed.

VIGIL MECHANISM

The Company has framed a Vigil Mechanism in compliance with the provisions of Section 177 of the Companies Act, 2013 read with the rules made there under in order to provide a framework for responsible and secure vigil mechanism. The Vigil Mechanism ensures standards of professionalism, honesty, integrity and ethical behavior.

HUMAN RESOURCES

The Company seeks to nurture a mutually beneficial relationship with its employees. This relationship is characterized by the investment which the Company makes in its employees by providing challenging roles and assignments opportunities for personal growth, relevant and timely performance support, training and an enabling environment. The Company seeks to create a workplace which combines achievement orientation with care for employees. The Company lists 'people' as one of its stated core values.

Your Company takes the pride in the Commitment, Competence and dedication shown by its employees in all areas of business. Various HR initiatives are taken to align the HR Policies to the growing requirements of the business.

COMPLIANCE

The Company has complied and continues to comply with all the applicable regulations, circulars and guidelines issued by the Ministry of Corporate Affairs (MCA), Stock Exchange(s), Reserve Bank of India (RBI), Securities and Exchange Board of India (SEBI) etc.

The Company has generally complied with all applicable provisions of the Companies Act, 1956 and the Companies Act, 2013, Listing Agreement executed with the Stock Exchanges, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable rules/regulations/guidelines issued from time to time.

DEPOSITS

During the year under review, the Company has not accepted any deposits from the public under Section 73 of the Companies Act, 2013 and rules made thereunder. There is no unclaimed or unpaid deposit lying with the Company.

RBI GUIDELINES

As a Non Deposit taking Non-Banking Finance Company, your Company always aims to operate in compliance with applicable RBI laws and regulations and employs its best efforts towards achieving the same.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

As per the provisions of the Companies Act, 2013, Mr. Pawan Aggarwal will retire at the ensuing AGM and being eligible, seek re-appointment. The Board recommends his re-appointment. The information as required to be disclosed under regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in case of re-appointment of the director is provided in the Notice of the ensuing annual general meeting.

During the year under review, Ms. Teena Rani has resigned from the post of Company Secretary & Compliance Officer of the Company on August 31, 2017.

EVALUATION OF DIRECTORS, BOARD AND COMMITTEES

The Companies Act, 2013 states that a formal annual evaluation needs to be made by the Board of its own performance and that of its committees and individual directors. Schedule IV of the Companies Act, 2013 states that the performance evaluation of independent directors shall be done by the entire Board of Directors, excluding the director being evaluated. The evaluation of all the directors and the Board as a whole was conducted based on the evaluation system approved by the Board.

The performance of the Board will be evaluated by the Board after seeking inputs from all the directors on the basis of the criteria such as the Board composition and structure, board meetings and effectiveness of board processes, information and functioning, etc. The performance of the committees will be evaluated by the Board after seeking inputs from the committee members on the basis of the criteria such as the compliance with the terms of reference of the Committees, composition of committees, functions and duties, committee meetings & procedures, etc.

The Board and the Nomination and Remuneration Committee reviews the performance of the individual director on the basis of the criteria such as the contribution of the individual director to the Board and committee meetings, attendance, independent judgment etc. In addition, the Chairman will also be

evaluated on the basis of criteria such as leadership, managing relationship, conducting board meetings etc.

In a separate meeting of independent Directors, performance of non-independent directors, performance of the board as a whole and performance of the Chairman will be evaluated.

COMPANY'S POLICY ON DIRECTORS APPOINTMENT AND REMUNERATION

In accordance with the provisions of Section 178 of the Act, the Board of Directors has adopted a Policy on Board Diversity and Director Attributes and the Remuneration Policy. The Policy on Board Diversity and Director Attributes has been framed to encourage diversity of thought, experience, knowledge, perspective, age and gender in the Board. The Remuneration Policy for Directors, Key Managerial Personnel and all other employees is aligned to the philosophy on the commitment of fostering a culture of leadership with trust. The Policy aims to ensure that the level and composition of the remuneration of the Directors, Key Managerial Personnel and all other employees is reasonable and sufficient to attract, retain and motivate them to successfully run the Company.

DECLARATION BY INDEPENDENT DIRECTORS

The Board has received the declaration from all the Independent Directors as per the Section 149(7) of the Companies Act, 2013 and the Board is satisfied that all the Independent Directors meet the criterion of independence as mentioned in Section 149(6) of the Companies Act, 2013.

SEPARATE MEETING OF INDEPENDENT DIRECTORS

In due compliance with the provisions of the Companies Act, 2013 read with the rules made there under a separate meeting of independent directors, performance of non-independent directors, performance of the board as a whole was evaluated, taking into account the views of directors and non-executive directors. The same was discussed in the board meeting that followed the meeting of the independent directors, at which the performance of the Board, its committees and individual directors was discussed.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Pursuant to Section 186 of the Companies Act, 2013 (the 'Act') read with Rule 11(2) of the Companies (Meetings of Board and its Powers) Rules, 2014, the loan made, guarantee given or security provided in the ordinary course of business by a Non-Banking Financial Company (NBFC) registered with Reserve Bank of India are exempt from the applicability of provisions of Section 186 of the Act.