

FLARE FINANCE (INDIA) LIMITED

REGD. OFF: - 4346/4C, ANSARI ROAD, DARYA GANJ, NEW DELHI-110002

CIN: L65990DL1984PLCO19635, CONT:- 011- 68888317

E-MAIL ID: FLAREFINANCE@YAHOO.COM, WEBSITE:WWW.FLAREFINANCEINDIA.COM

Date: 09.11.2016

To,
Metropolitan Stock Exchange of India Limited,
Vibgyor Towers, 4th floor, Plot No C 62, G - Block,
Opp. Trident Hotel, Bandra Kurla Complex, Bandra (E),
Mumbai - 400 098

Symbol: FFIL

Sub: Submission of Annual Report Under Regulation 34(1) of Securities And Exchange Board Of India
(Listing Obligations And Disclosure Requirements) Regulations, 2015

Dear Sir/Madam,

Please find enclosed Annual Report of Flare Finance (India) Limited for the Financial Year 2015-16 as Required under Regulation 34(1) of Securities And Exchange Board Of India (Listing Obligations And Disclosure Requirements) Regulations, 2015.

Kindly acknowledge and update the same on your website.

Yours faithfully,

FOR FLARE FINANCE (INDIA) LIMITED



RAN SINGH
DIRECTOR
DIN: 02253498

ANNUAL REPORT

2015-16

FLARE FINANCE (INDIA) LIMITED

CORPORATE INFORMATION

BOARD OF DIRECTORS

| | |
|------------------|------------------------|
| Mr. Kashi Nath | Independent Director |
| Mr. Ram Singh | Executive Director |
| Mr. Jai Singh | Independent Director |
| Ms. Geeta Bharti | Non Executive Director |

REGISTERED OFFICE

4346/4C, Ansari Road,
Darya Ganj, New Delhi- 110009
Email: flarefinance@yahoo.com
Tel No.: 011 68888317

STATUTORY AUDITORS

M/s. Ranjan Gupta & Co.
Chartered Accountants
518, Kirti Shikhar, Janakpuri Distt Centre,
Janakpuri, New Delhi - 110058
Mail Id: RANJANGUPTA3D@GMAIL.COM

REGISTRARS & SHARE TRANSFER AGENTS:

SKYLINE FINANCIAL SERVICES PRIVATE LIMITED

D 153 A, 1st Floor, Okhla Industrial Area,
Phase - I, New Delhi 110 020
Tel.: +91 11-26812682, 83, 011-64732681 to 88
Fax: +91 11-26812682
Web: www.skylinerta.com
Email: admin@skylinerta.com

CORPORATE IDENTITY NUMBER:

L65990DL1984PLC019635

COMPANY SECRETARY AND COMPLIANCE OFFICER:

Ms. SUMITA MAHESHWARI
Address: 4346/4C, ANSARI ROAD,
DARYA GANJ, Delhi- 110009
Tel No.: 011 68888317

STOCK EXCHANGE:

Metropolitan Stock Exchange of India Limited

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FLARE FINANCE (INDIA) LIMITED

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E-MAIL ID: FLAREFINANCE@YAHOO.COM, WEBSITE: WWW.FLAREFINANCEINDIA.COM

NOTICE

Notice is hereby given that the Annual General Meeting of **FLARE FINANCE (INDIA) LTD** will be held on Friday, 30th September, 2016 at 09:00 A.M. at **Navkar Tirth Atisey Ksetra, Village Neelwal, Near Mahaviday Ksetra, Ghevra More, Rohtak Road, Delhi** to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Profit & Loss Account for the year ended March 31, 2016 and the Balance Sheet as at that date together with the Reports of the Board of Directors and the Auditors' thereon.
2. To Appoint a Director in place of **Mr. RAM SINGH**, who retires by rotation and being eligible offer himself for re - appointment.
3. To ratify the appointment of **M/s. Ranjan Gupta & Co., Chartered Accountants** the Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next AGM and to fix their remuneration.

By Order of the Board
For FLARE FINANCE (INDIA) LTD
Sd/-
RAM SINGH
DIRECTOR
DIN: 02253498

Date: 02.09.2016

Place: New Delhi

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE (ONLY ON POLL) INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE DULY COMPLETED AND SIGNED PROXY FORM SHOULD REACH THE REGISTERED OFFICE OF THE COMPANY, NOT LESS THAN FORTY EIGHT HOURS BEFORE THE SCHEDULED TIME OF THE ANNUAL GENERAL MEETING.

A PERSON CAN ACT AS A PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY FOR ANY OTHER PERSON OR SHAREHOLDER.

2. The Register of Directors and Key managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, will be available for inspection by the members at the AGM.
3. Members holding shares in physical form are requested to notify change in address, if any, under their signatures to **Skyline Financial Services Private Limited , D-153 A, 1St Floor, Okhla Industrial Area, Phase -I, New Delhi**. Members holding shares in electronic form may update such details with their respective Depository Participants.
4. Pursuant to Section 91 of the Companies Act, 2013, The Share Transfer Books and Members Register of the Company will remain closed from **27th September, 2016 to 29th September, 2016** (both days inclusive).
5. Members seeking any information regarding accounts should write to the Company at least seven days before the date of the meeting so as to enable the management to keep the information ready.
6. All documents meant for inspection and referred in the accompanying Annual Report are open for inspection at the Registered Office of the Company during office hours between 11.00 am to 1.00 pm on all working days till the date of Annual General Meeting.
7. Members are required to bring their admission slip along-with copy of the Annual Report at the Annual General Meeting.

1. Voting through electronic means

- I. Pursuant to the provisions of Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management & Administration) Rules, 2014 as substituted by the Companies (Management and Administration) Amendment Rules, 2015 ('Amended Rules 2015') and Regulation 44 (1) of SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015, the Company is pleased to offer e-voting facility to the Members to cast their votes electronically on all resolutions set forth in the Notice convening the Annual General Meeting to be held on Friday, September 30, 2016 at 09:00 A.M. The Company has envisaged the Services of National Securities Depository Limited (NSDL) to provide e-voting facility.
- II. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).
- III. The Facility for voting through ballot paper shall be available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
- IV. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
- V. The remote e-voting period commences on **27th September, 2016 (9:00 am) and ends on 29th September, 2016 (5:00 pm)**. During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of **22nd September, 2016** may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
- VI. **The process and manner for remote E- voting electronically are as under:-**

A. In case a member receives an email from NSDL (for members whose email IDs are registered with the Company/Depository Participant(s) :

- (i) Open email and open PDF file. The said PDF file contains your user ID and password For E-Voting. Please note that the password is an initial password.
- (ii) Launch internet browser by typing the following URL:https://www.evoting.nsdl.com/
- (iii) Click on shareholder-Login.
- (iv) Put user ID and password as initial password noted in step (i) above. Click login.
- (v) Password change menu appears. Change the password with new password of your choice. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (vi) Home page of e-voting opens, click on e-voting : Active Voting cycles.
- (vii) Select "EVEN" Of **FLARE FINANCE (INDIA) LTD.**
- (viii) Now you are ready for remote E-voting as cast vote page opens.
- (ix) Cast your vote by selecting appropriate option and click on ""Submit" and also "Confirm" when prompted.
- (x) Upon confirmation, the message"Vote cast successfully" will be displayed.
- (xi) Once you have voted on the resolution, you will not be allowed to modify your vote
- (xii) Institutional & Corporate shareholders(i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy(PDF/JPG Format) of the relevant board resolution/authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to pkmishra59@yahoo.com with a copy marked to evoting@nsdl.co.in .

B. In case a Member receives physical copy of the Notice of AGM (for members whose email IDs are not registered with the Depository Participant (s) or requesting physical copy] :

- (i) Initial password is provided as below in the proxy form:

| EVEN (Remote E-Voting Event number) | USER ID | PASSWORD |
|-------------------------------------|---------|----------|
| | | |

Please follow all steps from SI. No.(ii) to SI. No.(xii) above, to cast vote.

- VII. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for shareholders and e-voting user manual for shareholders available at the downloads section of www.evoting.nsdl.com call on toll free no.: 1800-222-990.

- VIII. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.
- IX. The e-voting period commences on **27.09.2016 and ends on 29.09.2016**. During the period members of the Company, holding shares either in physical form or in dematerialized form, as on the **cut-off date of September 22, 2016**, may cast their vote electronically in the manner and process set out herein above. The E-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the shareholder shall not be allowed to change it subsequently. Further, the members who have cast their vote electronically shall not vote by way ballot form.
- X. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the **cut-off date of September 22, 2016**.
- XI. Any person, who acquires shares of the Company and become member of the Company after dispatch of the Notice of AGM and holding shares as of the **cut-off date i.e. 22nd September, 2016**, may obtain the login ID and password by sending a request at evoting@nsdl.co.in. However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on www.evoting.nsdl.com.
- XII. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
- XIII. **Mr. Pawan Kumar Mishra**, Company Secretary (COP: 16222), **Proprietor M/s. P.K. Mishra & Associates**, Company Secretary has been appointed as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- XIV. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of ballot paper for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- XV. The Scrutinizer shall after the conclusion of the e-voting at the AGM will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favor or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- XVI. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company ie. www.flarefinanceindia.com and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the **Metropolitan Stock Exchange of India Ltd.**

By Order of the Board
For FLARE FINANCE (INDIA) LTD
Sd/-
RAM SINGH
DIRECTOR
DIN: 02253498

Date: 02.09.2016
Place: New Delhi

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ANNEXURE TO THE NOTICE

Details of the directors proposed to be appointed / re-appointed as per clause 1.2.5 of Secretarial Standards on General Meeting and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

| | |
|--|--|
| Name | RAM SINGH |
| Age | 43 years |
| Qualifications | Graduate |
| Experience | 17 years |
| Terms and conditions of appointment including details of remuneration | Mr. RAM SINGH was appointed on the board of the Company w.e.f 01/04/2003. Other terms and conditions are mentioned in the letter for appointment which is available for inspection by members on all working days except holidays from 11.00 a.m to 5.00 p.m at the registered office of the company. |
| Last drawn remuneration | Nil |
| Date of first appointment by the Board of Directors of the Company | 06/07/2016 |
| Shareholding in the Company | Nil |
| Relationship with other directors and Key Managerial of the Company | None |
| Number of meetings attended during the financial year 2015-16 | 10 |
| Other directorship, membership / chairmanship of committees of other board | Director/Designated partner in: |
| Justification for appointment of Independent Director | NA |
| Performance evaluation report | NA |

DIRECTORS' REPORT

To,

The Members of
Flare Finance (India) Ltd.
4346/4C, ANSARI ROAD,
DARYA GANJ, NEW DELHI-110002

Your Directors have great pleasure in presenting the Annual Report together with the Audited Accounts of the Company for the year ended at 31st March, 2016.

FINANCIAL RESULTS

The summarized performance of the Company for the years 2015-16 and 2014-2015 is given below:

(in Rs.)

| Particulars | For Financial Year Ended | |
|--|--------------------------|----------------|
| | March 31, 2016 | March 31, 2015 |
| Total Income | 5,461,398.00 | 1,546,566.00 |
| Total Expenditure | 5,072,229.18 | 1,500,586.83 |
| Profit after Depreciation but before Tax | 389,168.82 | 45,979.17 |
| Less: Current Tax | 1,19,146.10 | 14,066.90 |
| Less: Deferred Tax | 1,107.00 | - |
| Profit / (Loss) After Tax | 268,915.72 | 31,912.27 |

DIVIDEND

During the year under review, to plough back the profits in the business activity, no dividend is recommended this year.

RESERVE AND SURPLUS

The amount of Rs. 2,68,915.72/- is being transferred to the reserve and Surplus as the Current year profit.

FINANCIAL PERFORMANCE

During the year under review, the Company's income has increased to Rs. 5,461,398/- as against income of Rs. 1,546,566/- in 2014-15.

CHANGE IN THE SHARE CAPITAL

During the Financial Year under review, There is no change in the Share Capital of the Company.

CHANGE IN THE NATURE OF BUSINESS

During the year, the Company has not changed its nature of business.

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

There have been no material changes and commitments which can affect the financial position of the Company occurred between the end of the financial year of the Company and date of this report.

LISTING AT METROPOLITAN STOCK EXCHANGE OF INDIA LIMITED

The Equity shares of the company got listed on Metropolitan Stock Exchange of India Limited on May 24, 2016.

RISK MANAGEMENT POLICY

The Company has devised and implemented a mechanism for risk management and has developed a Risk Management Policy. The Policy provides for constitution of a Risk Committee, which will work towards creating a Risk Register, identifying internal and external risks and implementing risk mitigation steps. The Committee will, on a quarterly basis, provide status updates to the Board of Directors of the Company.

PARTICULARS OF EMPLOYEES AND OTHER DISCLOSURE

The prescribed particulars of Employees required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is given herein below:

The information required pursuant to Section 197(12) read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of Employees of the Company, will be provided on request. In terms of Section 136 of the Act, the reports and accounts are being sent to the members and others entitled thereto, excluding the information on employees particulars mentioned in rule 5(2) of the said rule which is available for inspection by the Members at the Registered Office of the Company during the business hours on working days of the Company upto the date of ensuing Annual General Meeting. If any Member is interest in inspecting the same, such Member may write to the Compliance officer in advance.

DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

| Sr. No. | Name of Director/KMP and Designation | Remuneration of Director/ KMP for FY 2015-16 (Rs. In Lakhs) | % increase in Remuneration in FY 2015-16** | Ratio of Remuneration of Director to Median Remuneration of employees | Ratio of Remuneration of Director to Median Remuneration of Employees |
|---------|--|---|--|---|---|
| 1. | Ms. Sumita Maheshwari Company Secretary {Appointed on 15.03.2016} | 6,000 | NA | N.A. | N.A. |

The number of permanent employees as on 31st March 2016 was 3.

Average of remuneration of employees excluding KMPs - Nil

No employee's remuneration for the year 2015-16 exceeded the remuneration of any of the Directors.

Company's performance has been provided in the Directors' Report which forms part of the Board Report.

The key parameter for the variable component of key managerial personnel(s) is linked with Company performance and Individual performance.

The remuneration of Directors, KMPs and other employees is in accordance with the Remuneration Policy of the Company.

STATEMENT CONTAINING THE PARTICULARS OF EMPLOYEES IN ACCORDANCE WITH SECTION 197 OF THE COMPANIES ACT, 2013 READ WITH RULE 5 OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014 AND FORMING PART OF DIRECTORS' REPORT FOR THE FINANCIAL YEAR ENDED MARCH 31, 2016
-NOT APPLICABLE

DEPOSITS

The Company has not accepted deposit from the public falling within the ambit of Section 73 of the Companies Act, 2013 and The Companies (Acceptance of Deposits) Rules, 2014. No amount of principal or interest was outstanding as on the date of Balance Sheet.

NAME OF THE COMPANIES WHICH HAVE BEEN BECOME OR CEASED TO BE ITS SUBSIDIARIES AND ASSOCIATE COMPANIES DURING THE YEAR

Since the Company has no subsidiaries as on 31st March, 2016, provision of section 129 of the Companies Act, 2013 is not applicable.

STATE OF COMPANY AFFAIRS:

The Company is complying with all the applicable laws and provisions and there is no adverse action against the business operations of the Company.

STATUTORY AUDITORS

In Terms of the provisions of Section 139 of the Companies Act, 2013, **M/s. RANJAN GUPTA & CO, Chartered Accountants, having (Firm registration no. 17319N)**, were appointed as Statutory Auditors of the Company by the shareholders in the Annual General Meeting to hold office till conclusion of ensuing Annual General Meeting. The said appointment is subject to ratification by the members at every Annual General Meeting.

The Board has recommended the appointment of **M/s. RANJAN GUPTA & CO, Chartered Accountants, having (Firm registration no. 17319N)**, by the shareholders at the forthcoming Annual General meeting. The Company has received a letter from **M/s. RANJAN GUPTA & CO, Chartered Accountants**, confirming their eligibility under Section 141 of the companies Act, 2013.

AUDITORS' REPORT

The Notes on Financial Statements referred to in the Auditors' Report are self-explanatory and therefore, in the opinion of the Directors, do not call for further comments.

EXTRACT OF THE ANNUAL RETURN

The extract of the annual return in form no. MGT - 9 has been annexed to the Report, as Annexure.

SECRETARIAL AUDIT REPORT

Provisions relating to Secretarial Audit as per Section 204 read with Rule 9 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed

Mr. Pawan Kumar Mishra, Proprietor of **P.K. Mishra & Associates**, Company Secretaries to undertake the Secretarial audit of the Company. The Secretarial Auditor Report provided By the Secretarial Auditor in Form No.MR-3 has been enclosed as Annexure.

Explanation to the observations as notice in the Audit Report: The Management is searching the best person for the position of Chief Financial Officer & Internal Auditor and necessary steps has been taken to ensure that e - filing with Registrar of Companies, NCT of Delhi & Haryana to be completed with in time in order to avoid the additional fee for delay submissions.

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

The particulars as required under the provisions of Section 314(3)(m) of the Companies Act, 2013 read with Rule 8(3) of The Companies (Accounts) Rules, 2014 in respect of Conservation of Energy and Technology Absorption have not been furnished considering the nature of activities undertaken by the Company during the year under review.

There was no foreign exchange earning & outgo during the financial year under review.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

During the year under review, the Company is not required to comply with the provisions related to Corporate Social Responsibility on the basis of its financial statement.

DIRECTOR'S & COMMITTEES:

a) Changes in Directors and Key Managerial Personnel

**During the year under Review, Ms. Sumita Maheshwari has been appointed As Compliance Officer cum Company Secretary with effect from March, 15 2016.*

b) Declaration by an Independent Director(s) and re- appointment, if any

All Independent Directors have given declaration that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act.

c) Formal Annual Evaluation of Board

Pursuant to the provisions of companies Act, 2013, the Board has carried out annual performance evaluation of its own performance, the directors individually as well the evaluation of the working of its Audit, Nomination & Remuneration and Stakeholder Relation committee.

SEXUAL HARASSMENT:

The Company has zero tolerance for Sexual Harassment at workplace and has adopted a Policy on prevention of Sexual Harassment in line with the provisions of Sexual Harassment of Woman at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules made thereunder. There was no complaint on sexual harassment during the year under review.

NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS

BOARD MEETINGS

During the year, the Board of your company met Seven times on 30.05.2015, 14.08.2015, 01.09.2015, 14.11.2015, 13.01.2016, 15.03.2016 and 30.03.2016. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

CORPORATE GOVERNANCE

A report on Corporate Governance along with a certificate regarding the compliances with conditions of Corporate Governance as per Chapter IV of SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 is annexed to this report.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis Report regarding the compliances with conditions of Corporate Governance as per Chapter IV of SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 is annexed to this report.

AUDIT COMMITTEE

The Composition and terms of reference of the Committee satisfy the requirements Section 177 of the Companies Act, 2013 and Regulation 18 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. Mr. Jai Singh is the Chairman of the Committee.

| S. No. | Name of the Director | Status | Nature of Directorship |
|--------|----------------------|----------|------------------------------------|
| 1. | Mr. Jai Singh | Chairman | Non Executive Independent Director |
| 2. | Mr. Kashi Nath | Member | Non Executive Independent Director |
| 3. | Mr. Ram Singh | Member | Executive Director |

**The details Meetings of the Committee are given in the Corporate Governance Report.*

STAKEHOLDER RELATIONSHIP COMMITTEE

Our Company has constituted a Stakeholders relationship Committee ("Stakeholders relationship committee / Investors Grievance Committee") to redress the complaints of the shareholders. The committee currently comprises of three (3) Directors. Mr. Jai Singh is the Chairman of the Committee.

| S. No. | Name of the Director | Status | Nature of Directorship |
|--------|----------------------|----------|--|
| 1. | Mr. Jai Singh | Chairman | Non Executive Independent Director |
| 2. | Mr. Kashi Nath | Member | Non Executive Independent Director |
| 3. | Ms. Geeta Bharti | Member | Non Executive non Independent Director |

** The details of the Meetings of the Committee are given in the Corporate Governance Report.*

NOMINATION & REMUNERATION COMMITTEE & ITS POLICY

The Company has duly constituted Nomination and Remuneration Committee to align with the requirements prescribed under the provisions of the Companies Act, 2013 and as per Regulation 19 of SEBI (Listing of Disclosure Requirements), 2015. Mr. Jai Singh is the Chairman of the Committee.

| S. No. | Name of the Director | Status | Nature of Directorship |
|--------|----------------------|----------|--|
| 1. | Mr. Jai Singh | Chairman | Non Executive Independent Director |
| 2. | Mr. Kashi Nath | Member | Non Executive Independent Director |
| 3. | Ms. Geeta Bharti | Member | Non Executive non Independent Director |

* The details of the Meetings of the Committee are given in the Corporate Governance Report.

EXTRAORDINARY GENERAL MEETINGS DURING THE FINANCIAL YEAR 2015-16

There is no Extraordinary General Meeting Convened during the Financial Year 2015-16.

DETAILS OF ESTABLISHMENT OF VIGIL MECHANISM FOR DIRECTORS AND EMPLOYEES

During the year, as per Section 177(9) read with Rule 7(1) of The Companies (Meeting of Board and its Powers) Rules, 2014, Company is required to establish a Vigil Mechanism for its Directors and employees. 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. This policy has been updated on the website of company.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

During the year under Review, Company has not provided Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

The Company has no material significant transactions with its related parties which may have a potential conflict with the interest of the Company at large. The details of transactions with the Company and related parties are given for information under notes to Accounts.

MANAGERIAL REMUNERATION POLICY

Provisions relating to Managerial Remuneration as per Section 197 read with Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 The Board has on the recommendation of the Nomination & Remuneration Committee framed a Policy for Selection and appointment of Directors, Senior management and their Remuneration.

DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS

The Company maintains appropriate systems of internal control, including monitoring procedures, to ensure that all assets are safeguarded against loss from unauthorized use or disposition. Company policies, guidelines and procedures provide for adequate checks and balances and are meant to ensure that all transactions are authorized, recorded and reported correctly.

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

SECURITIES APPELLATE TRIBUNAL vide order dated 29th March, 2016 quashed impugned order dated July 31, 2014 and set aside qua the appellant and the matter is restored to the file of the WTM of SEBI for passing fresh order on merits and in accordance with law.

AUDIT OBSERVATIONS

Auditors' observations are suitably explained in notes to the Accounts and are self-explanatory.

HUMAN RESOURCES

There are no employees as on date on the rolls of the Company who are in receipt of Remuneration which requires disclosures under Section 134 of the Companies Act, 2013 and Companies (Particulars of Employees) Rules, 1975.

During the year under review, relationship with the employees is cordial.

INDEPENDENT DIRECTORS' MEETING

During the year under review, the Independent Directors met on 14th November, 2015, inter alia, discussed:

- Evaluation of the performance of Non-independent Directors and the Board of Directors as a whole.
- Evaluation of the performance of the chairman of the Company, taking into account the views of the Executive and Non-executive directors.
- Evaluation of the quality, content and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.
- All the Independent Directors were present at the Meeting.

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors' Responsibility Statement referred to in clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013, shall 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 and loss 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 laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- (f) 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.

ACKNOWLEDGEMENT

Directors take this opportunity to express their thanks to various departments of the Central and State Government, Bankers, Material Suppliers, Customers and Shareholders for their continued support and guidance.

The Directors wish to place on record their appreciation for the dedicated efforts put in by the employees of the Company at all levels.

Date: 02/09/2016

Place: New Delhi

By Order of the Board

For FLARE FINANCE (INDIA) LIMITED

Sd/-

Sd/-

Ram Singh

Jai Singh

(Director)

(Director)

DIN: 02253498

DIN: 03196420

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
As on financial year ended on 31.03.2016
Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

I. REGISTRATION & OTHER DETAILS:

| | | |
|----|--|--|
| 1. | CIN | L65990DL1984PLC019635 |
| 2. | Registration Date | 21/12/1984 |
| 3. | Name of the Company | FLARE FINANCE (INDIA) LIMITED |
| 4. | Category/Sub-category of the Company | Company limited by shares/ Indian Non-Government Company. |
| 5. | Address of the Registered office & contact details | 4346/4C, Ansari Road Darya Ganj, Delhi - 110002 Phone No. 011-68888317 Email Id : flarefinance@yahoo.com |
| 6. | Whether listed company | Listed |
| 7. | Name, Address & contact details of the Registrar & Transfer Agent, if any. | SKYLINE FINANCIAL SERVICES PRIVATE LIMITED D 153 A, 1st Floor, Okhla Industrial Area, Phase - I, New Delhi 110 020 Tel.: +91 11-26812682, 83, 011-64732681 to 88 Fax: +91 11-26812682 Web: www.skylinerta.com Email: admin@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

| S. No. | Name and Description of main products / services | NIC Code of the Product/service | % to total turnover of the company |
|--------|--|---------------------------------|------------------------------------|
| 1 | Financial leasing activities | 8011 | 100 |

I. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

| S. NO | NAME AND ADDRESS OF THE COMPANY | CIN/GLN | HOLDING/ SUBSIDIARY/ ASSOCIATE | % OF SHARES HELD | APPLICABLE SECTION |
|-------|---------------------------------|---------|--------------------------------|------------------|-------------------------------------|
| 1 | N.A. | N.A. | N.A. | N.A. | Section 2(46) and Section 2(87)(ii) |
| 2 | N.A. | N.A. | N.A. | N.A. | Section 2(87)(ii) |
| 3 | N.A. | N.A. | N.A. | N.A. | Section 2(6) |

VI. 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[As on 31-March-2016] | No. of Shares held at the end of the year[As on 31-March-2015] | % Chang |
|--------------------------|--|--|---------|
|--------------------------|--|--|---------|

| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | e during the year |
|---|-----------------|----------------|-----------------|-------------------|-----------------|----------------|-----------------|-------------------|-------------------|
| A. Promoters | | | | | | | | | |
| (1) Indian | | | | | | | | | |
| a) Individual/ HUF | Nil | 752255 | 752255 | 4.06 | Nil | 752255 | 752255 | 4.06 | Nil |
| d) Bodies Corp. | 1700000 | Nil | 1700000 | 9.17 | 1700000 | Nil | 1700000 | 9.17 | Nil |
| Sub-total (A)(1) | 1700000 | 752255 | 2452255 | 13.23 | 1700000 | 752255 | 2452255 | 13.23 | Nil |
| (2) Foreign | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| Sub-total (A)(2) | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| Total shareholding of Promoter (A) = (A)(1) + (A)(2) | 1700000 | 752255 | 2452255 | 13.23 | 1700000 | 752255 | 2452255 | 13.23 | Nil |
| B. Public Shareholding | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| 1. Institutions | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| Sub-total (B)(1):- | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| 2. Non-Institutions | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| a) Bodies Corp. | 7740000 | Nil | 7740000 | 41.76 | 7740000 | Nil | 7740000 | 41.76 | Nil |
| b) Individuals | 3426000 | 4091780 | 7517780 | 40.56 | 3426000 | 4091780 | 7517780 | 40.56 | 41.03 |
| c) Others (HUF) | 654000 | 171000 | 825000 | 4.45 | 654000 | 171000 | 825000 | 4.45 | Nil |
| Sub-total (B)(2):- | 11820000 | 4262780 | 16082780 | 86.77 | 11820000 | 4262780 | 16082780 | 86.77 | Nil |
| Total Public Shareholding (B)=(B)(1)+(B)(2) | 11820000 | 4262780 | 16082780 | 86.77 | 11820000 | 4262780 | 16082780 | 86.77 | Nil |

| | | | | | | | | | |
|---|-----------------|----------------|-----------------|---------------|-----------------|----------------|-----------------|---------------|------------|
| C. Shares held by Custodian for GDRs & ADRs | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| Grand Total (A+B+C) | 13520000 | 5015035 | 18535035 | 100.00 | 13520000 | 5015035 | 18535035 | 100.00 | Nil |

ii) Shareholding of Promoters-

| SN | Shareholder's Name | Shareholding at the beginning of the year | | | Share holding at the end of the year | | | % change in share holding 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 | RAM SINGH | 752255 | 4.06 | Nil | 752255 | 4.06 | Nil | Nil |
| 2 | BNP HOSPITALITIES PVT LTD | 1700000 | 9.17 | Nil | 1700000 | 9.17 | Nil | Nil |

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

| SN | Name of Shareholders | 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 |
| 1 | RAM SINGH | | | | |
| | At the beginning of the year | 752255 | 4.06 | 752255 | 4.06 |
| | At the end of the year | 752255 | 4.06 | 752255 | 4.06 |
| 2 | BNP HOSPITALITIES PVT LTD | | | | |
| | At the beginning of the year | 1700000 | 9.17 | 1700000 | 9.17 |
| | At the end of the year | 1700000 | 9.17 | 1700000 | 9.17 |

Note : There is no change in the Promoter shareholding during the financial year under review.

iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

| SN | For Each of the Top 10 Shareholders | Shareholding at the beginning of the year (31.03.2015) | | Cumulative Shareholding during the year (31.03.2016) | |
|----|---|--|----------------------------------|--|----------------------------------|
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| 1. | MAMA'S LITTLE DONUT PVT LTD | | | | |
| | At the beginning of the year | 2500000 | 13.49 | 2500000 | 13.49 |
| | At the end of the year | 2500000 | 13.49 | 2500000 | 13.49 |
| 2. | MALLYA REAL ESTATES PVT LTD | | | | |
| | At the beginning of the year | 1000000 | 5.40 | 1000000 | 5.40 |
| | At the end of the year | 1000000 | 5.40 | 1000000 | 5.40 |
| 3. | OP PROPERTY DEVELOPERS PVT LTD | | | | |
| | At the beginning of the year | 1000000 | 5.40 | 1000000 | 5.40 |
| | At the end of the year | 1000000 | 5.40 | 1000000 | 5.40 |
| 4. | SSD REAL ESTATE DEVELOPERS PVT LTD | | | | |
| | At the beginning of the year | 1000000 | 5.40 | 1000000 | 5.40 |
| | At the end of the year | 1000000 | 5.40 | 1000000 | 5.40 |
| 5. | D & D MULTINET SHOPEE PVT LTD | | | | |
| | At the beginning of the year | 1000000 | 5.40 | 1000000 | 5.40 |
| | At the end of the year | 1000000 | 5.40 | 1000000 | 5.40 |
| 6. | STRIDE PLACEMENT SERVICES PVT LTD | | | | |
| | At the beginning of the year | 1000000 | 5.40 | 1000000 | 5.40 |
| | At the end of the year | 1000000 | 5.40 | 1000000 | 5.40 |
| 7. | VIJAY KUMAR GUPTA | | | | |
| | At the beginning of the year | 40000 | 0.53 | 40000 | 0.53 |
| | At the end of the year | 40000 | 0.53 | 40000 | 0.53 |
| 8. | RISHUB JAIN | | | | |
| | At the beginning of the year | 30000 | 0.40 | 30000 | 0.40 |

| | | | | | |
|-----|------------------------------|-------|------|-------|------|
| | At the end of the year | 30000 | 0.40 | 30000 | 0.40 |
| 9. | SANJAY KUMAR BINDAL | | | | |
| | At the beginning of the year | Nil | - | Nil | - |
| | At the end of the year | 25000 | 0.33 | 25000 | 0.33 |
| 10. | RAM KUMAR | | | | |
| | At the beginning of the year | Nil | - | Nil | - |
| | At the end of the year | 25000 | 0.33 | 25000 | 0.33 |

v) *Shareholding of Directors and Key Managerial Personnel:-*

| SN | Shareholding of each Directors and each Key Managerial Personnel | 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 |
| 1. | RAM SINGH | | | | |
| | At the beginning of the year | 752255 | 4.06 | 752255 | 4.06 |
| | At the end of the year | 752255 | 4.06 | 752255 | 4.06 |

V) **INDEBTEDNESS- NIL**

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 | - | - | - | - |
| ii) Interest due but not paid | - | - | - | - |
| iii) Interest accrued but not due | - | - | - | - |
| Total (i+ii+iii) | - | - | - | - |
| Change in Indebtedness during the financial year | - | - | - | - |
| * Addition | - | - | - | - |

| | | | | |
|--|---|---|---|---|
| * Reduction | - | - | - | - |
| Net Change | - | - | - | - |
| Indebtedness at the end of the financial year | - | - | - | - |
| i) Principal Amount | - | - | - | - |
| ii) Interest due but not paid | - | - | - | - |
| iii) Interest accrued but not due | - | - | - | - |
| Total (i+ii+iii) | - | - | - | - |

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL- NIL

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

| SN. | Particulars of Remuneration | Name of MD/WTD/ Manager | | | Total Amount |
|-----|---|-------------------------|---|---|--------------|
| 1 | Gross salary | - | - | - | - |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | - | - | - | - |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | - | - | - | - |
| | (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961 | - | - | - | - |
| 2 | Stock Option | - | - | - | - |
| 3 | Sweat Equity | - | - | - | - |
| 4 | Commission - as % of profit - others, specify... | - | - | - | - |
| 5 | Others, please specify | - | - | - | - |
| | Total (A) | - | - | - | - |
| | Ceiling as per the Act | - | - | - | - |

B. REMUNERATION TO OTHER DIRECTORS - NIL

| SN. | Particulars of Remuneration | Name of Directors | | | Total Amount |
|-----|--|-------------------|------------|---|--------------|
| 1 | Independent Directors | Jai Singh | Kashi Nath | - | - |
| | Fee for attending board committee meetings | - | - | - | - |
| | Commission | - | - | - | - |
| | Others, please specify | - | - | - | - |
| | Total (1) | - | - | - | - |

| | | | | | |
|---|--|---|---|---|---|
| 2 | Other Non-Executive Directors | - | - | - | - |
| | Fee for attending board committee meetings | - | - | - | - |
| | Commission | - | - | - | - |
| | Others, please specify | - | - | - | - |
| | Total (2) | - | - | - | - |
| | Total (B)=(1+2) | - | - | - | - |
| | Total Managerial Remuneration | - | - | - | - |
| | Overall Ceiling as per the Act | - | - | - | - |

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD - NIL

| SN | Particulars of Remuneration | Key Managerial Personnel | | |
|----|---|--------------------------|---------------------------|-------|
| | | CFO | CS (Sumita Maheshwari) | Total |
| 1 | Gross salary | - | 6,000 | 6,000 |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | - | - | - |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | - | - | - |
| | (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | - | - | - |
| 2 | Stock Option | - | - | - |
| 3 | Sweat Equity | - | - | - |
| 4 | Commission | - | - | - |
| | - as % of profit | - | - | - |
| | others, specify... | - | - | - |
| 5 | Others, please specify | - | - | - |
| | Total | - | 6,000 | 6,000 |

VII. 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 | NIL | NIL | NIL | NIL | NIL |
| Punishment | NIL | NIL | NIL | NIL | NIL |
| Compounding | NIL | NIL | NIL | NIL | NIL |
| B. DIRECTORS | | | | | |
| Penalty | NIL | NIL | NIL | NIL | NIL |
| Punishment | NIL | NIL | NIL | NIL | NIL |
| Compounding | NIL | NIL | NIL | NIL | NIL |
| C. OTHER OFFICERS IN DEFAULT | | | | | |
| Penalty | NIL | NIL | NIL | NIL | NIL |
| Punishment | NIL | NIL | NIL | NIL | NIL |
| Compounding | NIL | NIL | NIL | NIL | NIL |

Date: 02/09/2016
Place: New Delhi

By Order of the Board
For FLARE FINANCE (INDIA) LIMITED
Sd/- Sd/-
Ram Singh Jai Singh
(Director) (Director)
DIN: 02253498 DIN: 03196420

Form No. MR-3

**SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2016**

(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,

Flare Finance (India) Limited,

4346, Gali No.4C, Ansari Road, Daryaganj,

New Delhi -110002

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practice by **Flare Finance (India) Limited**, (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon we report that:-

- a. Maintenance of Secretarial records is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on my audit.
- b. 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 the secretarial records. We believe that the process and practices, we followed provide a reasonable basis for my opinion.
- c. I don't verify the correctness and appropriateness of the financial statements of the company.
- d. Wherever required, I have obtained the management representation about the compliance of law, rules and regulations and happening of events etc.
- e. The Compliance of the provisions of the corporate and other applicable laws, rules and regulations, standards is the responsibility of the management. My examination was limited to verification of procedures on test basis.
- f. The Secretarial Audit Report is neither an assurance as to future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Based on my verification of the Flare Finance (India) Limited 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, I hereby report that in my opinion, the company has, during the audit period covering the Financial Year ended on March 31, 2016, 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:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by **Flare Finance (India) Limited**, ("the Company") for the Financial Year ended on March 31, 2016 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
 - During the period under audit, the Company has not appointed Internal Auditor;
 - During the period under audit, the Company has not appointed Chief Financial Officer.

Also, the Company has filed some E forms with ROC with additional fee for delay submissions.

- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder were duly complied for the period from 1st April 2015 to 31st March 2016.
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder were duly complied for the period from 1st April 2015 to 31st March 2016.
- (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 are not applicable on the Company for the Financial Year 2015-16 as disclosed by the management of the Company.
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable to the Company:-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; The Company has filed all disclosure within prescribed time and duly complied all the provisions as disclosed by the management of the company.
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; The Company has duly complied with all the provisions as disclosed by the Management of the Company.
 - (c) The Securities and Exchange Board of India (Issue of Capital Disclosure Requirements) Regulations, 2009; The said Regulation were not applicable to the company during the year ended on 31.03.2016.
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefit) Regulations, 2014 (as amended up to date);
The said Regulation was not applicable to the company during the year ended on 31.03.2016.
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; The said Regulation were not applicable to the company during the year ended on 31.03.2016.
 - (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; The regulations in relation to the Companies Act and dealing with client provisions were duly complied.
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009. The said Regulation were not applicable to the company during the year ended on 31.03.2016.
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; The said Regulation were not applicable to the company during the year ended on 31.03.2016.
 - (i) The company has complied with the requirements under the Equity Listing Agreements entered with the Metropolitan Stock Exchange of India Limited (MSEIL).
 - (j) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; and
 - (k) The Memorandum and Articles of Association.

(vi) OTHER APPLICABLE ACTS,

- (a) Income Tax Act, 1961 and Indirect Tax Laws.

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

- i) Secretarial Standards issued by the Institute of Company Secretaries of India (SS-1 and SS-2) w.e.f. 01.07.2015.
- ii) The Listing Agreements entered into by the Company with the Bombay Stock Exchange Limited.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, Listing Agreements etc mentioned above.

I 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 notices were given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda items were sent at least seven days in advance, and 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 decisions are carried through while the dissenting members' views are captured and recorded as part of the minutes.

The Company has obtained all necessary approvals under the various provisions of the Act; and there was no prosecution initiated and no fines or penalties were imposed during the year under review under the Act, SEBI Act, SCRA, Depositories Act, Listing Agreement and Rules and Regulations and Guidelines framed under these Acts against / on the Company, its Directors and Officers.

I 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.

I further report that during the period, there were no instances of:

- (i) Public / Rights / Preferential Issue of Shares / Debentures / Sweet Equity.
- (ii) Redemption / buy-back of securities.
- (iii) Merger / amalgamation / reconstruction etc.
- (iv) Foreign technical collaboration.

Date:19-08.2016

Place: New Delhi

**FOR P.K. MISHRA & ASSOCIATES
COMPANY SECRETARIES**

**Sd/-
PAWAN KUMAR MISHRA
PROPRIETOR
Membership No.FCS-4305
COP No.16222**

CORPORATE GOVERNANCE REPORT



COMPANY'S PHILOSOPHY ON THE CODE OF GOVERNANCE

The Company's philosophy on Corporate Governance is to achieve business excellence, enhance Long term values for its stakeholders, maintaining excellent relations across all levels and proper Compliance with all applicable legal and regulatory requirements.

BOARD OF DIRECTORS

The Board of Directors of the Company (Board) has optimum combination of Non-Executive and Independent Directors.

BOARD MEETINGS:

As on date, the Board consisted of four Members. The Composition and the category of Directors on the Board of the Company were as under:

| Name of Director | Category | No. of Meetings attended | Number of membership committee in other limited companies | Chairmanship/ Directorship Committee in other limited Companies | Directorship in other companies as on 31.03.2016 |
|------------------|--|--------------------------|---|---|--|
| Mr. Ram Singh | Executive Director | 7 | Nil | Nil | 3 |
| Ms. Geeta Bharti | Non Executive and Non Independent Director | 7 | 2 | 3 | 4 |
| Mr. Jai Singh | Independent Director | 7 | Nil | Nil | 3 |
| Mr. Kashi Nath | Independent Director | 7 | Nil | Nil | 2 |

During the Financial year 2015-16, the Board of your company met Seven times on 30.05.2015, 14.08.2015, 01.09.2015, 14.11.2015, 13.01.2016, 15.03.2016 and 30.03.2016. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

It has always been the Company's policy and practice that apart from matters requiring Board's approval by statute, all major decisions including quarterly results of the Company, financial restructuring, capital expenditure proposals, collaborations, material investment proposals in joint venture/promoted companies, sale and acquisition of material nature of assets, mortgages, guarantees, donations, etc. are regularly placed before the Board. This is in addition to information with regard to actual operations; major litigation feedback reports, information on senior level appointments just below the Board level and minutes of all Committee Meetings.

COMPOSITION AND MEETINGS OF AUDIT COMMITTEE

The Composition and terms of reference of the Committee satisfy the requirements Section 177 of the Companies Act, 2013 and Regulation 18 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The terms of reference of Audit Committee complies with the requirements of Regulation 18 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The committee presently comprises following three (3) directors. Mr. Jai Singh is the Chairman of the Audit Committee.

Role of Audit Committee:

The terms of reference of the Audit Committee are given below:

1. To investigate any activity within its terms of reference.
2. To seek information from any employee.
3. To obtain outside legal or other professional advice.
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.
5. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
6. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
7. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
8. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub section (3) of section 134 of the Companies Act, 2013.
 - b. Changes, if any, in accounting policies and practices and reasons for the same
 - c. Major accounting entries involving estimates based on the exercise of judgment by management
 - d. Significant adjustments made in the financial statements arising out of audit findings
 - e. Compliance with listing and other legal requirements relating to financial statements
 - f. Disclosure of any related party transactions
 - g. Qualifications in the draft audit report.
9. Reviewing, with the management, the quarterly financial statements before submission to the board for approval
10. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
11. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.
12. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
13. Discussion with internal auditors any significant findings and follow up there on.
14. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
15. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
16. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
17. To review the functioning of the Whistle Blower mechanism, in case the same is existing.
18. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
19. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

20. Mandatorily reviews the following information:

- a. Management discussion and analysis of financial condition and results of operations;
- b. Statement of significant related party transactions (as defined by the audit committee), submitted by management;
- c. Management letters / letters of internal control weaknesses issued by the statutory auditors;
- d. Internal audit reports relating to internal control weaknesses; and
- e. The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee

21. Review the Financial Statements of its subsidiary company, if any.

22. Review the composition of the Board of Directors of its Subsidiary Company, if any.

23. Review the Vigil mechanism (whistle blowing) policy.

24. Review the use/application of funds raised through an issue (public issues, right issues, preferential issues etc) on a quarterly basis as a part of the quarterly declaration of financial results. Further, review on annual basis statements prepared by the Company for funds utilized for purposes other than those stated in the offer document.

In addition, to carry out such other functions/powers as may be delegated by the Board to the Committee from time to time.

COMPOSITION AND ATTENDANCE AT MEETINGS:

The Composition of Audit Committee has been as under:

| S. No. | Name of the Director | Status | Attendance | Nature of Directorship |
|--------|----------------------|----------|------------|------------------------------------|
| 1. | Mr. Jai Singh | Chairman | 5 | Non Executive Independent Director |
| 2. | Mr. Kashi Nath | Member | 5 | Non Executive Independent Director |
| 3. | Mr. Ram Singh | Member | 5 | Executive Director |

During the financial year 2015-16, Five (5) meeting of Audit Committee were held on 30.05.2015, 14.08.2015, 01.09.2015, 14.11.2015 and 31.01.2016.

COMPOSITION AND MEETINGS OF STAKEHOLDER RELATIONSHIP COMMITTEE

Our Company has constituted a Stakeholders relationship Committee ("Stakeholders relationship committee") to redress the complaints of the shareholders. The committee currently comprises of three (3) Directors. Mr. Jai Singh is the Chairman of the Stakeholders Relationship Committee.

Role of Stakeholder Relationship committee

The Stakeholder Relationship Committee of our Board look into:

- The redressal of investors complaints viz. non-receipt of annual report, dividend payments etc.
- Matters related to share transfer, issue of duplicate share certificate, dematerializations.
- Also delegates powers to the executives of our Company to process transfers etc.

The status on various complaints received / replied is reported to the Board of Directors as an Agenda item.

During the year under review, the Composition of the Stakeholder Relationship Committee has been as under:

| S. No. | Name of the Director | Status | Nature of Directorship |
|--------|----------------------|----------|--|
| 1. | Mr. Jai Singh | Chairman | Non Executive Independent Director |
| 2. | Mr. Kashi Nath | Member | Non Executive Independent Director |
| 3. | Ms. Geeta Bharti | Member | Non Executive non Independent Director |

During the financial year 2015-16, four (4) meeting of Stakeholder Relationship committee was held on 30.05.2015, 14.08.2015, 14.11.2015 and 31.01.2016.

STATUS OF COMPLAINTS RECEIVED, RESOLVED AND PENDING AS ON 31ST MARCH, 2016

| | |
|---|-----|
| Number of Shareholders' Complaints received during the year | Nil |
| Number of Shareholders' Complaints resolved during the year | Nil |
| Number of Shareholders' Complaints Pending at the end of the year | Nil |

NOMINATION & REMUNERATION COMMITTEE & ITS POLICY

Our Company has constituted a nomination and remuneration committee ("Nomination and Remuneration Committee"). The committee currently comprises of three (3) Directors. Mr. Jai Singh is the Chairman of the Nomination and remuneration committee.

The terms of reference of the remuneration committee are as follows:

- The remuneration committee recommends to the board the compensation terms of the executive directors.
- The committee to carry out evolution of every director's performance and recommend to the board his/her appointment and removal based on the performance.
- The committee to identify persons who may be appointed in senior management in accordance with the criteria laid down.
- Framing and implementing on behalf of the Board and on behalf of the shareholders, a credible and transparent policy on remuneration of executive directors including ESOP, Pension Rights and any compensation payment.
- Considering approving and recommending to the Board the changes in designation and increase in salary of the executive directors.
- Ensuring the remuneration policy is good enough to attract, retain and motivate directors.
- Bringing about objectivity in deeming the remuneration package while striking a balance between the interest of the Company and the shareholders.

During the financial year 2015-2016, one meeting of the Committee was held on 30.05.2015.

| S. No. | Name of the Director | Status | Nature of Directorship |
|--------|----------------------|----------|--|
| 1. | Mr. Jai Singh | Chairman | Non Executive Independent Director |
| 2. | Mr. Kashi Nath | Member | Non Executive Independent Director |
| 3. | Ms. Geeta Bharti | Member | Non Executive non Independent Director |

REMUNERATION POLICY

The Company has paid remuneration of NIL to Executive cum Whole-Time Director. No remuneration has been paid by the company to Non-Executive Directors (in form of sitting fees and other expenses) during the year under review. The Company has also framed the remuneration policy and is updated on the Company's website.

During the period under review, No Salary has been paid to any Director.

DISCLOSURES:

1. Related Party Transaction:

There are no materially significant related party transactions i.e. transactions material in nature, with its promoters, the directors or the management, their subsidiaries or relatives etc. having potential conflict with the interest of the company at large.

2. Statutory Compliance, Penalties and Strictures:

The Company has complied with the requirements of the Stock Exchanges / SEBI / and Statutory Authorities to the extent applicable, and accordingly no penalties have been levied or strictures have been imposed on the Company on any matter related to capital markets during the last three years.

3. Whistle Blower Policy: The Company has established a Whistle Blower Policy (WBP) to make the work place conducive to open communication regarding business practices and to protect the employees from unlawful victimization, retaliation or discrimination for their having disclosed or reported fraud, unethical behaviour, violation of Code of Conduct, questionable accounting practices, grave misconduct etc. and no personnel has been denied access to the Audit Committee.

4. Reconciliation of Share Capital Audit:

In line with the requirements stipulated by Securities and Exchange Board of India (SEBI), Reconciliation of Share Capital Audit is proposed to be carried out on a quarterly basis by a Practicing Company Secretary to confirm that the aggregate number of equity shares of the Company held in National Securities Depository Limited (NSDL), Central Depository Services (India) Limited (CDSL) and in physical form tally with the total number of issued, paid-up, listed and admitted capital of the Company.

5. Non-Mandatory Requirements

The Company does not comply with the non-mandatory requirements.

6. Listing fees for the financial year 2016-17 have been paid to the Stock Exchanges where the shares of the Company are listed.

FINANCIAL CALENDAR

Tentative calendar of events for the financial year 2016-17 (April to March) is as under: Adoption of half yearly Financial Results for:

| Financial Calendar (Tentative) | Results for the quarter ending |
|--------------------------------|--------------------------------|
|--------------------------------|--------------------------------|

| | |
|--------------------|--------------------------------------|
| September 30, 2016 | Upto 14 th November, 2016 |
|--------------------|--------------------------------------|

| | |
|-------------------|--------------------------------------|
| December 31, 2016 | Upto 14 th February, 2017 |
|-------------------|--------------------------------------|

| | |
|----------------|---------------------------------|
| March 31, 2017 | Upto 30 th May, 2017 |
|----------------|---------------------------------|

MEANS OF COMMUNICATION

The half yearly financial results are regularly submitted to the Stock Exchange in accordance with provisions of the SEBI (Listing and Disclosure Requirements) Regulations, 2015 and published and also uploaded on the Company's website.

GENERAL SHAREHOLDER INFORMATION

Annual General Meeting

| | |
|-----------------------------|--|
| Date, time and Venue | Friday, 30 th September, 2016 at 09:00 A.M at Navkar Tirth Atisey Ksetra, Village Neelwal, Near Mahaviday Ksetra, Ghevra More, Rohtak Road, Delhi |
| Financial year | 1 st April, 2015 to 31 st March, 2016 |
| Date of Book Closure | From 27.09.2016 to 29.09.2016 (both days inclusive) |
| Stock Exchange | Metropolitan Stock Exchange of India Limited |
| Stock Code/Symbol | FFIL |

MARKET PRICE DURING THE FINANCIAL YEAR 2015-16

The Equity shares of the company got listed on Metropolitan Stock Exchange of India Limited on May 24, 2016, so there was no trading in the equity shares of the company during the financial year 2015-2016.

GENERAL BODY MEETINGS

Location and time for the last three AGMs

| Year | Date | Venue | Time | Special Resolution |
|---------|------------|--|-------|--------------------|
| 2014-15 | 30.09.2015 | 4346/4C, ANSARI ROAD, DARYA GANJ, NEW DELHI-110002 | 11.00 | Yes |
| 2013-14 | 30.09.2014 | 4346/4C, ANSARI ROAD, DARYA GANJ, NEW DELHI-110002 | 10:00 | No |
| 2012-13 | 30.09.2013 | 4346/4C, ANSARI ROAD, DARYA GANJ, NEW DELHI-110002 | 11.00 | No |

*No Postal Ballot was conducted during the Year.

DISTRIBUTION OF HOLDINGS AS ON 31.03.2016

| SHARE OR DEBENTURE HOLDING OF NOMINAL VALUE OF | | SHARE/DEBENTURE HOLDERS | | SHARE/DEBENTURE AMOUNT | |
|--|------------|-------------------------|---------------|------------------------|---------------|
| Rs. | Rs. | Number | % to Total | In Rs. | % to Total |
| (1) | | (2) | (3) | (4) | (5) |
| Upto | - 5,000 | 2 | 0.32 | 3000 | 0.00 |
| 5,001 | - 10,000 | 20 | 3.24 | 139000 | 0.07 |
| 10,001 | - 20,000 | 15 | 2.43 | 290000 | 0.16 |
| 20,001 | - 30,000 | 7 | 1.13 | 190000 | 0.10 |
| 30,001 | - 40,000 | 224 | 36.25 | 8895000 | 4.80 |
| 40,001 | - 50,000 | 10 | 1.62 | 500000 | 0.27 |
| 50,001 | - 1,00,000 | 120 | 19.42 | 9909000 | 5.35 |
| 1,00,001 and above | | 220 | 35.60 | 165424350 | 89.25 |
| TOTAL | | 618 | 100.00 | 185350350 | 100.00 |

DEMAT OF EQUITY SHARES

The Company has dematerialization connectivity with both the depository i.e. NSDL and CDSL. ISIN is INE913Q01012.

REGISTRAR & TRANSFER AGENT/INVESTOR CORRESPONDENCE

SKYLINE FINANCIAL SERVICES PRIVATE LIMITED

D 153 A, 1st Floor, Okhla Industrial Area,

Phase - I, New Delhi 110 020

Tel.: +91 11-26812682, 83, 011-64732681 to 88

Fax: +91 11-26812682

Web: www.skylinerta.com

Email: admin@skylinerta.com

COMPLIANCE OFFICER:

Ms. SUMITA MAHESHWARI
Company Seretary and Compliance Officer
Address: 4346/4c, Ansari Road Darya Ganj Delhi- 110002
Email: flarefinance@yahoo.com
Tel No. : 011 68888317

CORRESPONDENCE ADDRESS

4346/4C, Ansari Road, Darya Ganj, New Delhi-110002
Email: flarefinance@yahoo.com
Website: www.flarefinanceindia.com

Date: 02/09/2016

Place: New Delhi

By Order of the Board
For FLARE FINANCE (INDIA) LIMITED
Sd/- Sd/-
Ram Singh Jai Singh
(Director) (Director)
DIN: 02253498 DIN: 03196420

COMPLIANCE WITH CODE OF BUSINESS CONDUCT

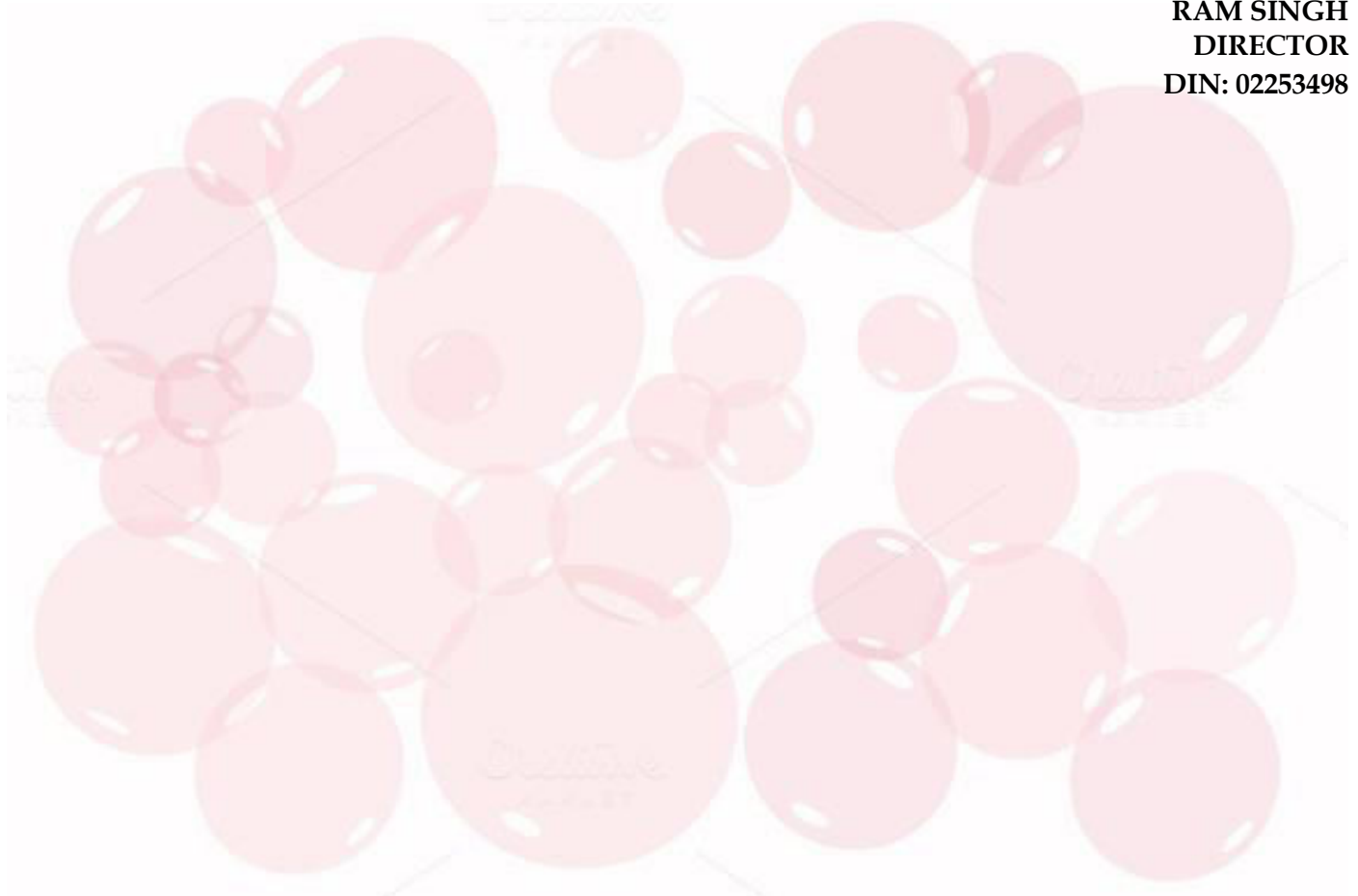
As provided under Clause 49 of the Listing Agreement with the Stock Exchanges, the Board Members and the Senior Management Personnel have confirmed compliance with the Code of Conduct for the year ended March 31, 2016.

Date: 02/09/2016

Place: New Delhi

**By Order of the Board
For FLARE FINANCE (INDIA) LIMITED**

**Sd/-
RAM SINGH
DIRECTOR
DIN: 02253498**



COMPLIANCE CERTIFICATE UNDER REGULATION 17(8) Under SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

**The Board of Directors,
Flare Finance (India) Limited**

I, Ram Singh, one of the Directors of the company responsible for the finance function certify that:

- (a) (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 in compliance with existing Accounting Standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take for rectifying these deficiencies.
- (d) We have indicated to the Auditors and the Audit Committee:
- (i) significant changes in internal control over financial reporting during the year;
- (ii) significant changes in accounting policies made during the year and the same have 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.

Date: 02/09/2016

Place: New Delhi

**By Order of the Board
For FLARE FINANCE (INDIA) LIMITED
Sd/-
RAM SINGH
DIRECTOR
DIN: 02253498**

The Members of FLARE FINANCE (INDIA) LIMITED

We have examined the compliance of conditions of Corporate Governance by Flare Finance India Limited, for the year ended on 31st March 2016, as stipulated in Clause 49 of the Listing Agreement of the Company with the Stock Exchanges for the period April 2015 to 30 November 2015 and as per the Regulation 4(2) read with Chapter IV and Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the period December 1, 2015 to March 31, 2016.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to 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 our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that in respect of investor grievances received during the year ended March 31st 2016, no investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the Shareholders Committee.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**M/s Ranjan Gupta & Co
Chartered Accountants**

**Sd/-
CA. Ranjan Gupta
(Prop.)
M. No. 082408
FRN: 17319N**

**Place: New Delhi
Date: 02.09.2016**

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

INDUSTRY STRUCTURE AND DEVELOPMENT

On macroeconomic front the financial year 2015- 16 was among the most challenging years. The policy and governance environment impacted the economic scenario. Persistent inflation resulted in the regulator raising the policy rates leading to a high interest-rate environment.

There has been a slowdown in the economy visible in many sectors primarily on account of falling exports due to European economic crisis, high rate of interest caused by steep inflationary trend and unprecedented high price of crude in the global market. Many sectors including the finance and investment operations have been adversely affected by both domestic and external factors. The cost of funds being very high it was a difficult year not only for the manufacturing units but also for the Companies operating in the investment and the financial sector. The unfavourable investment climate in the country coupled with significantly low inflow of foreign investment kept the stock market weak for the major part of the year. In an effort to maintain a balance between growth and inflation, RBI is seemingly more concerned about high inflation than slow rate of growth. The financial sector is eagerly waiting for the fall in inflation followed by the rate cut which is likely to help the sector regaining its lost ground.

STRENGTH/ OPPORTUNITIES AND THREATS

The Company yet to work out its future working strategy. The management will strengthen its working force to keep pace with the market condition as and when it plans to start activities at certain level. The Company is mainly exposed to market risk (including liquidity risk), interest risk and credit risk.

OUTLOOK

The long term objective of the Company is to remain strong player in the market with strong emphasis on product and market development. Your Company is also continuously improving its operational efficiency, and cost control which alone can improve the bottom line in future in highly competitive environment. Further, your Company is hopeful to get advantage of this overall boom likely to happen for the Indian markets and will do all out efforts to secure the bigger share of the increasing market in future.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has a proper adequate internal control system to ensure that all the assets are safe guarded and protected against the loss from unauthorized used or disposition and that transactions are authorized, recorded and reported correctly.

The internal control is supplemented by an extensive internal audit, periodical review by the management and documented policies, guidelines and procedures. The internal control is designed to ensure that the financial and other records are reliable for preparing financial statements and other data and for maintaining accountability of assets.

MATERIAL DEVELOPMENTS IN HUMAN RESOURCES

The Company recognizes that its people are the primary source of competitiveness and therefore strives to support and build people capabilities to make them achieve better results. As a result and in view of the current megatrend of globalizing and internationalizing business processes, our HR systems are integrated to develop a continuously learning organization in order to create a win-win situation for both the employees and the organization.

There has been no material development on the Human Resources front during the year. As on 31st March, 2016.

The Company continues to lay emphasis on developing and facilitating optimum human performance. Performance management was the key word for the Company this year.

DISCLOSURES BY MANAGEMENT TO THE BOARD

All disclosures relating o financial and commercial transactions where Directors may have a potential interest are provided to the Board and the interested directors do not participate in the discussion nor do they vote on such matters.

Date: 02/09/2016
Place: New Delhi

By Order of the Board
For FLARE FINANCE (INDIA) LIMITED
Sd/- Sd/-
Ram Singh Jai Singh
(Director) (Director)
DIN: 02253498 DIN: 03196420



Ranjan Gupta & Co.
Chartered Accountants

ADD: 1858, ARUN VIHAR, SECTOR-37, NOIDA-201303

INDEPENDENT AUDITORS' REPORT

TO,

THE MEMBERS

M/S FLARE FINANCE (INDIA) LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **FLARE FINANCE (INDIA) LIMITED** (CIN: L65990DL1984PLC019635) ("the company"), which comprise the Balance Sheet as at 31 March 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the 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 internal financial control, that were operating effectively for ensuring the 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2016;
- b) In the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2016, 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. 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 appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss, and 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 written representations received from the directors as on 31 March, 2016, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2016, 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**".

M/s Ranjan Gupta & Co
Chartered Accountants

Sd/-
CA. Ranjan Gupta
(Prop.)
M. No. 082408
FRN: 17319N

Date: 27.05.2016
Place: New Delhi



“Annexure A” to the Independent Auditors’ Report

Referred to in paragraph 1 under the heading ‘Report on Other Legal & Regulatory Requirement’ of our report of even date to the financial statements of the Company for the year ended March 31, 2016:

- 1) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
- (b) The Fixed Assets have been physically verified by the management in a phased manner, designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the company and nature of its business. Pursuant to the program, a portion of the fixed asset has been physically verified by the management during the year and no material discrepancies between the books records and the physical fixed assets have been noticed.
- (c) The title deeds of immovable properties are held in the name of the company..
- 2) (a) The management has conducted the physical verification of inventory at reasonable intervals.
- (b) The discrepancies noticed on physical verification of the inventory as compared to books records which has been properly dealt with in the books of account were not material.
- 3) The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Act. Accordingly, the provisions of clause 3 (iii) (a) to (C) of the Order are not applicable to the Company and hence not commented upon.
- 4) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 In respect of loans, investments, guarantees, and security.
- 5) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
- 6) As informed to us, the maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the company.
- 7) (a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2016 for a period of more than six months from the date on when they become payable.
- (b) According to the information and explanation given to us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax outstanding on account of any dispute.

- 8) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks. The Company has not taken any loan either from financial institutions or from the government and has not issued any debentures.
- 9) Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.
- 10) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.
- 11) Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act;
- 12) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company.
- 13) In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
- 14) Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company and hence not commented upon.
- 15) Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.
- 16) In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

For M/s. Ranjan Gupta & Co

Chartered Accountants

Sd/-

CA. Ranjan Gupta

(Prop.)

M. No. 082408

FRN: 17319N

Date: 27.05.2016

Place: New Delhi

FLARE FINANCE (INDIA) LIMITED

“Annexure B” to the Independent Auditors’ Report

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

We have audited the internal financial controls over financial reporting of **Flare Finance (India) Limited** (“the Company”) as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for 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 control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India”. 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 frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ 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 Institute of Chartered Accountants of India. 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 respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence 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 that receipts and expenditures of the company are

being made only in accordance with authorisations 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 not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become 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 respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company 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 M/s. Ranjan Gupta & Co
Chartered Accountants**

**Sd/-
CA. Ranjan Gupta
(Prop.)
M. No. 082408
FRN: 17319N**

**Date: 27.05.2016
Place: New Delhi**

FLARE FINANCE (INDIA) LIMITED
CIN: L65990DL1984PLC019635
Add: 4346/4C, ANSARI ROAD DARYA GANJ, DELHI-110002

Balance Sheet as at 31st March, 2016

(Amount in Rs.)

| Particulars | Note No | 31.03.2016 | 31.03.2015 |
|---|---------|-----------------------|-----------------------|
| I. EQUITY AND LIABILITIES | | | |
| (1) Shareholder's Funds | | | |
| (a) Share Capital | 1 | 185,350,350.00 | 185,350,350.00 |
| (b) Reserves and Surplus | 2 | 385,416.05 | 116,500.33 |
| (c) Money received against share warrants | | - | - |
| (2) Non-Current Liabilities | | | |
| (a) Long-term borrowings | 3 | - | - |
| (b) Deferred tax liabilities (Net) | 4 | 1,107.00 | - |
| (c) Other Long term liabilities | 5 | - | - |
| (d) Long term provisions | 6 | - | - |
| (3) Current Liabilities | | | |
| (a) Short-term borrowings | 7 | 10,021,046.80 | 12,271,046.80 |
| (b) Trade payables | 8 | 4,093,978.00 | - |
| (c) Other current liabilities | 9 | 8,003,195.00 | 8,017,687.00 |
| (d) Short-term provisions | 10 | 133,212.10 | 26,639.00 |
| Total | | 207,988,304.95 | 205,782,223.13 |
| II.Assets | | | |
| (1) Non-current assets | | | |
| (a) <i>Fixed assets</i> | 11 | | |
| (i) Tangible assets | | 13,847.46 | 2,174.16 |
| (ii) Intangible assets | | - | - |
| (iii) Capital work-in-progress | | - | - |
| (iv) Intangible assets under development | | - | - |
| (b) Non-current investments | 12 | 17,343,550.00 | 17,343,550.00 |
| (c) Deferred tax assets (net) | 13 | - | - |
| (d) Long term loans and advances | 14 | 35,945,171.00 | 35,945,171.00 |
| (e) Other non-current assets | 15 | 1,350,000.00 | 1,350,000.00 |
| (2) Current assets | | | |
| (a) Current investments | 16 | - | - |
| (b) Inventories | 17 | - | - |
| (c) Trade receivables | 18 | 8,612,681.00 | 5,134,236.00 |
| (d) Cash and cash equivalents | 19 | 1,207,439.49 | 1,771,475.97 |
| (e) Short-term loans and advances | 20 | 143,094,054.00 | 144,142,054.00 |
| (f) Other current assets | 21 | 421,562.00 | 93,562.00 |
| Total | | 207,988,304.95 | 205,782,223.13 |

As per our report of even date attached.

**For Ranjan Gupta & Co.
Chartered Accountants**

**Sd/-
CA. Ranjan Gupta
Prop.
Membership No.: 082408
Firm Regd. No. 17319N**

**Place : Delhi
Date : 27.05.2016**

For Flare Finance (India) Limited

**Sd/-
Ram Singh
(Director)
DIN: 02253498**

**Sd/-
Jai Singh
(Director)
DIN: 03196420**

**Sd/-
Sumita Maheshwari
(Company Secretary)
M.NO. 21494**

FLARE FINANCE (INDIA) LIMITED
CIN: L65990DL1984PLC019635
Add: 4346/4C, ANSARI ROAD DARYA GANJ, DELHI-110002

Profit and Loss statement for the year ended 31st March, 2016

(Amount in Rs.)

| Particulars | Note No | 31.03.2016 | 31.03.2015 |
|---|------------|---------------------|---------------------|
| I. Revenue from operations | | 5,458,445.00 | 1,546,566.00 |
| II. Other Income | 22 | 2,953.00 | - |
| III. Total Revenue (I +II) | | 5,461,398.00 | 1,546,566.00 |
| <u>IV. Expenses:</u> | | | |
| Cost of materials consumed | 23 | - | - |
| Purchase of Stock-in-Trade | | 4,093,978.00 | - |
| Changes in inventories of finished goods, work-in-progress and Stock-in-Trade | 24 | - | - |
| Employee benefit expense | 25 | 474,242.00 | 170,254.00 |
| Financial costs | 26 | - | - |
| Depreciation and amortization expense | 27 | 9,576.70 | - |
| Other expenses | 28 | 494,432.48 | 1,330,332.83 |
| Total Expenses | | 5,072,229.18 | 1,500,586.83 |
| V. Profit before exceptional and extraordinary items and tax | (III - IV) | 389,168.82 | 45,979.17 |
| VI. Exceptional Items | | - | - |
| VII. Profit before extraordinary items and tax (V - VI) | | 389,168.82 | 45,979.17 |
| VIII. Extraordinary Items | | - | - |
| IX. Profit before tax (VII - VIII) | | 389,168.82 | 45,979.17 |
| X. Tax expense: | | | |
| (1) Current tax | | 119,146.10 | 14,066.90 |
| (2) Deferred tax | | 1,107.00 | - |
| (3) Income tax for earlier year | | - | - |
| XI. Profit(Loss) from the perid from continuing operations | (IX-X) | 268,915.72 | 31,912.27 |
| XII. Profit/(Loss) from discontinuing operations | | - | - |
| XIII. Tax expense of discounting operations | | - | - |
| XIV. Profit/(Loss) from Discontinuing operations (XII - XIII) | | - | - |
| XV. Profit/(Loss) for the period (XI + XIV) | | 268,915.72 | 31,912.27 |
| XVI. Earning per equity share: | | | |
| (1) Basic | | 0.08 | 0.01 |
| (2) Diluted | | 0.08 | 0.01 |

Notes referred to above and notes attached there to form an integral part of Profit & Loss Statement

As per our report of even date attached.

For Ranjan Gupta & Co.
Chartered Accountants

For Flare Finance (India) Limited

Sd/-
CA. Ranjan Gupta
Prop.
Membership No.: 082408
Firm Regd. No. 17319N

Sd/-
Ram Singh
(Director)
DIN: 02253498

Sd/-
Jai Singh
(Director)
DIN: 03196420

Place : Delhi
Date : 27.05.2016

Sd/-
Sumita Maheshwari
(Company Secretary)
M.NO. 21494

FLARE FINANCE (INDIA) LIMITED
Cash Flow Statement For the Year Ending 31-Mar-2016

(Amount in Rs.)

| PARTICULARS | Amounts Rs. | Amounts Rs. |
|--|-----------------------|-------------------------|
| | 31.03.2016 | 31.03.2015 |
| <u>(A) CASH FLOW FROM OPERATING ACTIVITIES:-</u> | | |
| 1. Net profit before tax | 389,168.82 | 45,979.17 |
| 2. Adjustment for: | | |
| Add: Depreciation & Amortisation Expenses | 9,576.70 | - |
| Operating Profit before Working capital changes | 398,745.52 | 45,979.17 |
| 3. Working Capital Changes: | | |
| Decrease (Increase) in Trade & Other Receivables | (3,478,445.00) | (175,700.00) |
| Decrease (Increase) in Inventories | - | - |
| Decrease (Increase) in Short Term Provision | - | - |
| Decrease (Increase) in Other Current Assets | (328,000.00) | (93,562.00) |
| Increase (Decrease) in Trade & Other Payables | 4,093,978.00 | - |
| Increase (Decrease) in Other Current Liabilities | (14,492.00) | (161,516.00) |
| Net Changes in Working Capital | 273,041.00 | (430,778.00) |
| <u>Cash Generated from Operations</u> | 671,786.52 | (384,798.83) |
| Adjustment of Taxes | 12,573.00 | 14,718.00 |
| Net Cash Flow from Operating Activities (A) | 659,213.52 | (399,516.83) |
| <u>(B.) CASH FLOW FROM INVESTING ACTIVITIES :</u> | | |
| Purchase of Fixed Assets | (21,250.00) | - |
| (Increase) Decrease in Other Non Current Assets | - | (1,350,000.00) |
| (Increase) Decrease in Long Term Loans & Advances | - | (21,692,054.00) |
| (Increase) Decrease in Short Terms Loans & Advances | 1,048,000.00 | (122,450,000.00) |
| Decrease (Increase) in Current Investments | - | - |
| Decrease (Increase) in Non Current Investments | - | - |
| Net Cash Flow from Investing Activities (B) | 1,026,750.00 | (145,492,054.00) |
| <u>(C.) CASH FLOW FROM FINANCING ACTIVITIES :</u> | | |
| Issue of Share Capital | - | 135,200,000.00 |
| Increase in Long Terms Borrowings | - | - |
| Increase in Short Terms Borrowings | (2,250,000.00) | 12,271,046.80 |
| Proceeds from/(Refund) Share Application Money | - | - |
| Net Cash Flow from Financing Activities (C) | (2,250,000.00) | 147,471,046.80 |

Net Increase / (Decrease) in Cash & Cash Equivalents (A-
B+C)

Cash and cash equivalents at the beginning of the year /
Period

Cash and cash equivalents at the end of the year/ Period

| | |
|--------------|--------------|
| | |
| (564,036.48) | 1,579,475.97 |
| | |
| 1,771,475.97 | 192,000.00 |
| | |
| 1,207,439.49 | 1,771,475.97 |
| | |

* Note: The above Cash Flow Statement has been prepared under "Indirect Method" as set out in the Accounting Standard (AS) - 3 on Cash Flow Statements" issued by the Institute of Chartered of Accountants of India.

As per our report of even date attached.

For Ranjan Gupta & Co.
Chartered Accountants

Sd/-
CA. Ranjan Gupta
Prop.
Membership No.: 082408
Firm Regd. No. 17319N

Place : Delhi
Date : 27.05.2016

For Flare Finance (India) Limited

Sd/-
Ram Singh
(Director)
DIN: 02253498

Sd/-
Jai Singh
(Director)
DIN: 03196420

Sd/-
Sumita Maheshwari
(Company Secretary)
M.NO. 21494

FLARE FINANCE (INDIA) LIMITED
CIN: L65990DL1984PLC019635
Add: 4346/4C, ANSARI ROAD DARYA GANJ, DELHI-110002

Notes Forming Part of the Balance Sheet

Note : 1 Share Capital

| Sr. No | Particulars | 31.03.2016 | 31.03.2015 |
|--------|---|-----------------------|-----------------------|
| 1 | <u>AUTHORIZED CAPITAL</u> 205,00,000 Equity Shares (P.Y 55,00,000 Shares) of Rs. 10/- each | 205,000,000.00 | 205,000,000.00 |
| 2 | <u>ISSUED</u> 185,35,035 Equity Shares (P.Y 185,35,035 Equity Shares) of Rs. 10 each. | 185,350,350.00 | 185,350,350.00 |
| 3 | <u>SUBSCRIBED & PAID UP CAPITAL</u> 185,35,035 Equity Shares (P.Y 185,35,035 Equity Shares) of Rs. 10 each. | 185,350,350.00 | 185,350,350.00 |
| | Total | 185,350,350.00 | 185,350,350.00 |

NOTE 1 A

Reconciliation of number of shares:

| Particulars | 31.03.2016 | | 31.03.2015 | |
|---|------------|-------------|------------|-------------|
| | Number | Amount | Number | Amount |
| Shares outstanding at the beginning of the year | 18,535,035 | 185,350,350 | 5,015,035 | 50,150,350 |
| Shares Issued during the year | - | - | 13,520,000 | 135,200,000 |
| Shares bought back during the year | - | - | - | - |
| Shares outstanding at the end of the year | 18,535,035 | 185,350,350 | 18,535,035 | 185,350,350 |

Note : 2 Reserve & Surplus

| Sr. No | Particulars | 31.03.2016 | 31.03.2015 |
|--------|-----------------------------------|-------------------|-------------------|
| 1 | Capital Reserve | - | - |
| 2 | Capital Redemption Reserve | - | - |
| 3 | Securities Premium reserve | - | - |
| 4 | Debenture Redemption Reserve | - | - |
| 5 | Revaluation Reserve | - | - |
| 6 | Shares Option Outstanding Account | - | - |
| 7 | Other Reserve (General Reserve) | - | - |
| 8 | Surplus (Profit & Loss Account) | | |
| | Op Bal. of P/L | 116,500.33 | 84,588.06 |
| | Current Year Profit | 268,915.72 | 31,912.27 |
| | Total | <u>385,416.05</u> | <u>116,500.33</u> |
| | G.Total | 385,416.05 | 116,500.33 |

Note : 3 Long Term Borrowings

| Sr. No | Particulars | 31.03.2016 | 31.03.2015 |
|--------|--|------------|------------|
| 1 | Bonds / Debentures | - | - |
| 2 | Term Loan | | |
| | - From Bank | - | - |
| | - From Other Parties | - | - |
| 3 | Deferred Payment Liabilities | - | - |
| 4 | Deposit | - | - |
| 5 | Loans & Advances From Related Parties | - | - |
| 6 | Long Term Maturities of Finance lease obligation | - | - |
| 7 | Loans From Directors | - | - |
| 8 | Other Loans | - | - |
| | | - | - |
| | Total | - | - |

Note : 4 Defferred Tax Liabilities (Net)

| Sr. No | Particulars | 31.03.2016 | 31.03.2015 |
|--------|-------------------------|-----------------|------------|
| 1 | Defferred Tax Liability | 1,107.00 | - |
| | Total | 1,107.00 | - |

Note : 5 Other Long Term Liabilities

| Sr. No | Particulars | 31.03.2016 | 31.03.2015 |
|--------|-----------------|------------|------------|
| 1 | Trade Creditors | - | - |
| 2 | Others | - | - |
| | Total | - | - |

Note : 6 Long Term Provisions

| Sr. No | Particulars | 31.03.2016 | 31.03.2015 |
|--------|-----------------------------------|------------|------------|
| 1 | Provision from Employment Benefit | - | - |
| 2 | Other | - | - |
| | Total | - | - |

Note : 7 Short Term Borrowings

| Sr. No | Particulars | 31.03.2016 | 31.03.2015 |
|--------|---------------------------------------|---------------|------------|
| 1 | Loan Repayable on Demand | | |
| | - From Bank | - | - |
| | - From Other Parties | - | - |
| 2 | Loans & Advances From Related Parties | - | - |
| 3 | Depsoits | - | - |
| 4 | Others | 10,021,046.80 | |

| | | | |
|--|--------------|----------------------|----------------------|
| | | | 12,271,046.80 |
| | Total | 10,021,046.80 | 12,271,046.80 |

Note : 8 Trades Payable

| Sr. No | Particulars | 31.03.2016 | 31.03.2015 |
|--------|---------------|---------------------|------------|
| 1 | Trade Payable | 4,093,978.00 | - |
| | Total | 4,093,978.00 | - |

Note : 9 Other Current Liabilities

| Sr. No | Particulars | 31.03.2016 | 31.03.2015 |
|--------|---------------------------|---------------------|---------------------|
| 1 | Audit Fees Payable | 35,000.00 | 30,000.00 |
| 2 | Other Current Liabilities | 7,805,995.00 | 7,824,487.00 |
| 3 | Expenses Payable | 123,000.00 | 123,000.00 |
| 4 | Salary Payable | 39,200.00 | 40,200.00 |
| | Total | 8,003,195.00 | 8,017,687.00 |

Note : 10 Short Term Provisions

| Sr. No | Particulars | 31.03.2016 | 31.03.2015 |
|--------|---|-------------------|------------------|
| 1 | <u>Provision From Employees Benefit</u> | - | - |
| 2 | <u>Others</u> | | |
| | Provision For Income Tax | 133,212.10 | 26,639.00 |
| | Total | 133,212.10 | 26,639.00 |

FLARE FINANCE (INDIA) LIMITED
CIN: L65990DL1984PLC019635
Add: 4346/4C, ANSARI ROAD DARYA GANJ, DELHI-110002

Notes Forming Part of the Balance Sheet

Note : 11 Fixed Assets

| | | Gross Block | | | | Depreciation | | | | Net Block | |
|-----------|---|------------------------|--------------------------|---------------------------|------------------------|------------------------|--------------------------|---------------------------|------------------------|----------------------|----------------------|
| Sr. No | Particulars | Value as on 01.04.2015 | Addition during the year | Deduction during the year | Value as on 31.03.2016 | Value as on 01.04.2015 | Addition during the year | Deduction during the year | Value as on 31.03.2016 | WDV as on 31.03.2016 | WDV as on 31.03.2015 |
| I | <u>Tangible Assets</u> | | | | | | | | | | |
| - | Computer | 169,700.00 | 21,250.00 | - | 190,950.00 | 169,700.00 | 9,576.70 | - | 179,276.70 | 11,673.30 | - |
| | Furnitures & Fixtures | 22,140.00 | - | - | 22,140.00 | 19,965.84 | - | - | 19,965.84 | 2,174.16 | 2,174.16 |
| | SUB TOTAL (A) | 191,840.00 | 21,250.00 | - | 213,090.00 | 189,665.84 | 9,576.70 | - | 199,242.54 | 13,847.46 | 2,174.16 |
| II | <u>Intangible Assets</u> | | | | | | | | | | |
| - | | | | | | | | | | | |
| | SUB TOTAL (B) | - | - | - | - | - | - | - | - | - | - |
| | Total [A + B + C + D] (Current Year) | 191,840.00 | 21,250.00 | - | 213,090.00 | 189,665.84 | 9,576.70 | - | 199,242.54 | 13,847.46 | 2,174.16 |
| | (Previous Year) | 191,840.00 | - | - | 191,840.00 | 189,665.84 | - | - | 189,665.84 | 2,174.16 | 2,174.16 |

FLARE FINANCE (INDIA) LIMITED

CIN: L65990DL1984PLC019635

Add: 4346/4C, ANSARI ROAD DARYA GANJ, DELHI-110002

Notes Forming Part of the Balance Sheet

Note : 12 Non Current Investment

| Sr. No | Particulars | | 31.03.2016 | 31.03.2015 |
|--------|---------------------------------|--|----------------------|----------------------|
| 1 | Investment in Property | | - | - |
| 2 | Investment in Equity Instrument | | 17,343,550.00 | 17,343,550.00 |
| 3 | Other Investment | | - | - |
| 4 | Investment in Mutual Fund | | - | - |
| 5 | Investment in Partnership Firm | | - | - |
| | Total | | 17,343,550.00 | 17,343,550.00 |

Note : 13 Defferred Tax Assets (Net)

| Sr. No | Particulars | | 31.03.2016 | 31.03.2015 |
|--------|--------------|--|------------|------------|
| | | | - | - |
| | Total | | - | - |

Note : 14 Long Term Loans and Advances

| Sr. No | Particulars | | 31.03.2016 | 31.03.2015 |
|--------|--|---|----------------------|----------------------|
| I) | Capital Assets | | | |
| | a) Secured, Considered Good : | - | - | - |
| | b) Unsecured, Considered Good : | - | - | - |
| | c) Doubtful | - | - | - |
| II) | Security Deposit | | | |
| | a) Secured, Considered Good : | - | - | - |
| | b) Unsecured, Considered Good : | - | - | - |
| | c) Doubtful | - | - | - |
| III) | Loans & Advances to related parties | - | - | - |
| IV) | Other Loans & Advances | | 35,945,171.00 | 35,945,171.00 |
| | Total | | 35,945,171.00 | 35,945,171.00 |

Note : 15 Other Non Current Assets

| Sr. No | Particulars | 31.03.2016 | 31.03.2015 |
|--------|---------------------------------|---------------------|---------------------|
| 1 | Long Term Trade Recievables | | |
| | a) Secured, Considered Good : | - | - |
| | b) Unsecured, Considered Good : | - | - |
| | c) Doubtful | - | - |
| 2 | - Others | 1,350,000.00 | 1,350,000.00 |
| | Total | 1,350,000.00 | 1,350,000.00 |

Note :16 Current Investment

| Sr. No | Particulars | 31.03.2016 | 31.03.2015 |
|--------|----------------------------------|------------|------------|
| 1 | Investment in Equity | - | - |
| 2 | Investment in Prefrence Shares | - | - |
| 3 | Investment in Govt Securities | - | - |
| 4 | Investment in debentures & Bonds | - | - |
| 5 | Investment in Mutual Fund | - | - |
| 6 | Investment in Partnership Firm | - | - |
| 7 | Others FDR & Accrued Interest | - | - |
| | Total | - | - |

Note : 17 Inventories

| Sr. No | Particulars | 31.03.2014 | 31.03.2013 |
|--------|----------------------------|------------|------------|
| 1 | Raw Material | - | - |
| 2 | Work-in-Progress | - | - |
| 3 | Finished Goods | - | - |
| 4 | Stock-in-Trade | - | - |
| 5 | Stores & Spares | - | - |
| 6 | Loose Tools | - | - |
| 7 | Other (Specify the nature) | - | - |
| 8 | Goods-in-transit | - | - |
| | Total | - | - |

Note : 18 Trade Recievables

| Sr. No | Particulars | 31.03.2016 | 31.03.2015 |
|--------|---|---------------------|---------------------|
| 1 | Outstanding for more than six months | | |
| | a) Secured, Considered Good : | - | - |
| | b) Unsecured, Considered Good : | - | - |
| | c) Doubtful | - | - |
| 2 | Others | | |
| | a) Secured, Considered Good : | - | - |
| | b) Unsecured, Considered Good : | 8,612,681.00 | 5,134,236.00 |
| | c) Doubtful | - | - |
| | - | - | - |
| | - | - | - |
| | - | - | - |
| | Total | 8,612,681.00 | 5,134,236.00 |

Note : 19 Cash & Cash Equivalent

| Sr. No | Particulars | 31.03.2016 | 31.03.2015 |
|--------|--|---------------------|---------------------|
| | Cash in Hand | | |
| | Cash Balance | 1,126,556.00 | 1,304,594.00 |
| | | 1,126,556.00 | 1,304,594.00 |
| | Bank Balance (with Schedule Bank) | | |
| | | 80,883.49 | 466,881.97 |
| | | 80,883.49 | 466,881.97 |
| | Total (A+B) | 1,207,439.49 | 1,771,475.97 |

Note :20 Short Terms Loans and Advances

| Sr. No | Particulars | 31.03.2016 | 31.03.2015 |
|--------|---------------------------------------|-----------------------|-----------------------|
| 1 | Loans & Advances from related parties | | |
| | a) Secured, Considered Good : | - | - |
| | b) Unsecured, Considered Good : | - | - |
| | c) Doubtful | - | - |
| 2 | Others | 143,094,054.00 | 144,142,054.00 |
| | Total | 143,094,054.00 | 144,142,054.00 |

Note : 21 Other Current Assets

| Sr. No | Particulars | 31.03.2016 | 31.03.2015 |
|--------|--------------------|-------------------|------------------|
| 1 | Advance Income Tax | - | - |
| 2 | TDS | 151,562.00 | 93,562.00 |
| 3 | Others | 270,000.00 | |
| | Total | 421,562.00 | 93,562.00 |

Note : 22 Other Income

| Sr. No | Particulars | 31.03.2016 | 31.03.2015 |
|--------|--|-----------------|------------|
| 1 | Duty Drawback | - | - |
| 2 | Foreign Currency Rate Difference | - | - |
| 3 | Interest from Bank | - | - |
| 4 | Profit from Jobbing Speculation | - | - |
| 5 | Income From Long Term Investments: | | |
| 6 | Income from Investment - Dividend Tax Free | - | - |
| 7 | Long Term Capital Gain | - | - |
| 8 | Short Term Capital Gain | - | - |
| 9 | Other Income | 2,953.00 | - |
| | Total | 2,953.00 | - |

Note : 23 Cost of Material Consumed

| Sr. No | Particulars | 31.03.2016 | 31.03.2015 |
|--------|--------------|------------|------------|
| 1 | Purchases | - | - |
| | Total | - | - |

Note : 24 Change in Inventories

| Sr. No | Particulars | 31.03.2016 | 31.03.2015 |
|--------|---------------|------------|------------|
| 1 | Closing Stock | - | - |
| 2 | Opening Stock | - | - |
| | Total | - | - |

Note : 25 Employment Benefit Expenses

| Sr. No | Particulars | 31.03.2016 | 31.03.2015 |
|--------|--------------------------|-------------------|-------------------|
| 1 | Remuneration to Director | - | - |
| 2 | Salary | 425,000.00 | 135,000.00 |
| 3 | Staff Welfare | 49,242.00 | 35,254.00 |
| | Total | 474,242.00 | 170,254.00 |

Note :26 Financial Cost

| Sr. No | Particulars | 31.03.2016 | 31.03.2015 |
|--------|---------------|------------|------------|
| 1 | Bank Interest | - | - |
| | Total | - | - |

Note : 27 Depreciation & Amortised Cost

| Sr. No | Particulars | 31.03.2016 | 31.03.2015 |
|--------|--------------|-----------------|------------|
| 1 | Depreciation | 9,576.70 | - |
| | Total | 9,576.70 | - |

Note : 28 Other Expenses

| Sr. No | Particulars | 31.03.2016 | 31.03.2015 |
|--------|--|-------------------|---------------------|
| 1 | <u>Administrative Expenses:</u> | | |
| | Bank Charges | 1,296.98 | 6,789.85 |
| | Misc Exp. | 26,015.00 | 327,129.00 |
| | Administrative Expenses | 840.00 | 19,221.18 |
| | Printing & Stationary Exp. | 38,737.00 | 5,254.00 |
| | Telephone Expenses | 39,329.00 | 3,192.00 |
| | Water Charges | 13,451.00 | 11,392.00 |
| | Legal & Professional Expenses | 59,057.00 | 72,492.00 |
| | Business Promotion Expenses | - | - |
| | Travelling & Conveyance Expenses | 42,092.00 | 18,833.00 |
| | Repair & Maint. | 51,998.00 | 10,650.00 |
| | Filing Fees | 20,236.00 | 36,756.00 |
| | Advertising Expenses | - | 10,500.00 |
| | Listing Fees | 30,177.00 | 106,744.00 |
| | Depository Fees | - | 676,379.80 |
| | Audit Fees | 25,000.00 | 25,000.00 |
| | Book Keeping expenses | 55,793.50 | - |
| | General Expenses | 48,248.00 | - |
| | Internet Expenses | 42,162.00 | - |
| | Total | 494,432.48 | 1,330,332.83 |

FLARE FINANCE (INDIA) LIMITED
CIN: L65990DL1984PLC019635
Add: 4346/4C, ANSARI ROAD DARYA GANJ, DELHI-110002

Notes Forming Part of the Balance Sheet

Note : 29 SIGNIFICANT ACCOUNTING POLICIES & NOTES TO THE ACCOUNTS

A- SIGNIFICANT ACCOUNTING POLICIES

1 Basis of Accounting

The financial statements are prepared under the historical cost convention on the concept of a going concern, in accordance with the Generally Accepted Accounting Principles and mandatory Accounting Standards as notified under Rule 7 of the Companies (Accounts) Rules, 2014 which is similar to provisions and presentational requirements of the Companies Act, 2013.

2 Changes in Accounting policies

The accounting policies adopted are consistent with those of previous financial year. The management assures that there has been no change in accounting policies as compared to that of previous year which would have any significant effect on these financials.

3 Recognition of Income

Income is recognised and accounted for on accrual basis unless otherwise stated.

4 Tangible Fixed Assets

Fixed assets are stated at cost less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Borrowing costs relating to acquisition of fixed assets which take substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

4 (A)- Depreciation on tangible fixed assets

Depreciation on Fixed Assets is provided to the extent of depreciable amount on the Written Down Value (WDV) Method. Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013.

5 Taxes on Income

Current tax is determined and provided for on the amount of taxable income at the applicable rates for the relevant financial year. Deferred Tax Assets and Liabilities (DTA/ DTL) are recognised, subject to consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originate in one period and is capable of reversal in one or more subsequent periods. The DTA is recognised only to the extent that there is reasonable certainty of sufficient future profits against which such DTA can be realised.

6 Contingent Liability

The contingent liabilities, if any, are disclosed in the Notes to Accounts. Provision is made in the accounts, if it becomes probable that there will be outflow of resources for settling the obligation.

7 Events occurring after the balance sheet date

Adjustments to assets and liabilities are made for events occurring after the balance sheet date to provide additional information materially affecting the determination of the amounts of assets or liabilities relating to conditions existing at the balance sheet date.

8 Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the year/ period attributable to equity shareholders by the weighted average number of equity shares outstanding during the year/ period.

9 Use of estimates

The preparation of financial statements, in conformity with generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities on the date of the financial statements and the results of operations during the reporting year. Actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

10 Foreign Currency Transaction

Transactions denominated in foreign currencies are normally recorded at the exchange rate prevailing at the time of the transaction. Monetary items denominated in foreign currencies at the year end are translated at the rate ruling at the year end rate.

B- NOTES TO THE ACCOUNTS

- 1) The previous year's figures have been reworked, regrouped, rearranged and reclassified wherever necessary.
- 2) Reconciliation of Nos. Of Shares

| | 2015-16 | 2014-15 |
|--|------------|------------|
| Number of Equity Shares at the beginning | 18,535,035 | 5,015,035 |
| Add:- Number of Shares Issued | - | 13,520,000 |
| Number of Equity Shares at the end | 18,535,035 | 18,535,035 |

- 3) Below are the name of the shareholders holding more than 5% of Shares of the company

| Name | Class of Share | No. of Share Holding | Percentage of Holding |
|---|----------------|----------------------|-----------------------|
| BNP Hospitalities Private Limited | Equity | 1,700,000 | 9.17% |
| Mama's Little Donut Private Limited | Equity | 2,500,000 | 13.49% |
| Mallya Real Estate Private Limited | Equity | 1,000,000 | 5.40% |
| SSD Real Estate Private Limited | Equity | 1,000,000 | 5.40% |
| Stride Placement Services Private Limited | Equity | 1,000,000 | 5.40% |
| OP Property Developers Private Limited | Equity | 1,000,000 | 5.40% |
| D & D Multinet Shoppe Private Limited | Equity | 1,000,000 | 5.40% |
| TOTAL | | 9,200,000 | 49.64% |

- 4) All the investments made by the company are valued at Cost .
- 5) Managerial Remuneration: Nil
- 6) The company does not have inventory as per AS-2.
- 7) Deferred tax arising on account of timing difference and which are capable of reversal in one or more subsequent periods is recognised using the tax rates and tax laws that have been enacted or substantively enacted. Deferred tax assets are recognised unless there is virtual certainty with respect to the reversal of the same in future years.
- 8) All schedules annexed to and form integral part of the Balance Sheet and Profit & Loss Account.

- 9) Minimum Alternative Tax (MAT) is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that company will pay normal Income Tax during the specified period.

15) *Earning Per Share:*

| Particulars | March 31st, 2016 |
|--|------------------|
| Net profit after tax available for Equity Shareholders (Rs.) (A) | 268,915.72 |
| Weighted Avg.Number Equity Shares outstanding (Nos.) (B) | 18,535,035 |
| Dilutive potential Equity Shares (Nos.) | - |
| Dilutive shares outstanding (Nos.) (C) | 18,535,035 |
| Nominal value per Equity Shares (Rs./ Share) | 10 |
| Basic Earnings per share (Rs./ Share) (A) / (B) | 0.01 |
| Diluted Earnings per share (Rs./ Share) (A) / (C) | 0.01 |

As per our report of even date attached.

**For Ranjan Gupta & Co.
Chartered Accountants**

Sd/-
CA. Ranjan Gupta
Prop.
Membership No.: 082408
Firm Regd. No. 17319N

Place : Delhi
Date : 27.05.2016

For Flare Finance (India) Limited

Sd/- Sd/-
Ram Singh Jai Singh
(Director) (Director)
DIN: 02253498 DIN: 03196420

Sd/-
Sumita Maheshwari
(Company Secretary)
M.NO. 21494

FLARE FINANCE (INDIA) LIMITED

REGD. OFF: - 4346/4C, ANSARI ROAD, DARYA GANJ, NEW DELHI-110002

CIN: L65990DL1984PLC019635, CONT:- 011- 68888317

E-MAIL ID: FLAREFINANCE@YAHOO.COM, WEBSITE: WWW.FLAREFINANCEINDIA.COM

Form No. MGT-11

Proxy form

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

| | | |
|-----------------------|---------------------|-------|
| Name of the Member(s) | | |
| Registered Address | | |
| E-mail Id | Folio No /Client ID | DP ID |

| | |
|----------------------------|------------|
| Name : | E-mail Id: |
| Address: | |
| Signature , or failing him | |

| | |
|----------------------------|------------|
| Name : | E-mail Id: |
| Address: | |
| Signature , or failing him | |

| | |
|----------------------------|------------|
| Name : | E-mail Id: |
| Address: | |
| Signature , or failing him | |

as my/ our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Annual General Meeting of **FLARE FINANCE (INDIA) LTD** will be held on Friday, 30th September, 2016 at 09:00 A.M. at **Navkar Tirth Atisey Ksetra, Village Neelwal, Near Mahaviday Ksetra, Ghevera More, Rohtak Road, Delhi** and at any adjournment thereof in respect of such resolutions as are indicated below:

| Sl. No. | Resolution(S) | Vote | |
|---------|---|------|---------|
| | | For | Against |
| 1. | Adoption of statement of Profit & Loss, Balance Sheet, report of Director's and Auditor's for the financial year 31 st March, 2016 | | |
| 2. | To appoint a director in place of Mr. Ram Singh, who retires by rotation and being eligible, offers himself for re-appointment. | | |
| 3. | Ratify the appointment of M/s. Ranjan Gupta & Co, Chartered Accountants as Statutory Auditors & fixing their remuneration | | |

* Applicable for investors holding shares in Electronic form.

Signed this ___ day of ___ 20__

Affix Revenue
Stamps

Signature of Shareholder
across Revenue Stamp

Signature of Proxy holder

Signature of the shareholder

Note:

- 1) 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.
- 2) The proxy need not be a member of the company.

| EVEN (Remote E -Voting Event Number) | USER ID | PASSWORD |
|--------------------------------------|---------|----------|
| | | |

ELECTRONIC VOTING PARTICULARS

Notes: 1) Each equity share of the Company carries one vote.

2) Please read carefully the instructions printed overleaf before exercising the vote.

FLARE FINANCE (INDIA) LIMITED

REGD. OFF: - 4346/4C, ANSARI ROAD, DARYA GANJ, NEW DELHI-110002

CIN: L65990DL1984PLC019635, CONT:- 011- 68888317

E-MAIL ID: FLAREFINANCE@YAHOO.COM, WEBSITE: WWW.FLAREFINANCEINDIA.COM

ATTENDANCE SLIP

To be handed over at the entrance of the meeting hall)

Full name of the members attending _____

(In block capitals)

Ledger Folio No./Client ID No. _____ No. of shares held: _____

Name of Proxy _____

(To be filled in, if the proxy attends instead of the member) `+

I hereby record my presence at the Annual General Meeting of **FLARE FINANCE (INDIA) LTD** will be held on Friday, 30th September, 2016 at 09:00 A.M. at **Navkar Tirth Atisey Ksetra, Village Neelwal, Near Mahaviday Ksetra, Ghevra More, Rohtak Road, Delhi**

(Member's/Proxy's Signature)

Note:

- 1) Members are requested to bring their copies of the Annual Report to the meeting, since further copies will not be available.
- 2) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by Proxy, shall be accepted to the exclusion of the vote of the other joint holders. Seniority shall be determined by the order in which the names stand in the Register of Members.
- 3) The submission by a member of this form of proxy will not preclude such member from attending in person and voting at the meeting.

Route Map for Annual General Meeting

