



COMPANY  
LIMITED

4 MMTC/STC MARKET GEETANJALI NEW DELHI 110 017. PHONE 26691132, 26691795, 26691830 FAX 26691676 E-mail: genesis599@gmail.com

Email ID: genesis599@gmail.com / cs.gfcl@gmail.com

Website: www.genesisfinance.net

Phone: 011-26691132

CIN-L65910DL1990PLC040705

30<sup>th</sup> August, 2019

To,  
**The Listing Executive,**  
**Metropolitan Stock Exchange of India Limited**  
Vibgyor Towers, 4<sup>th</sup> Floor,  
Plot No. C 62, G-Block, Opp. Trident Hotel,  
Bandra Kurla Complex, Bandra (E),  
Mumbai - 400098.

Dear Sir,

**Subject: Notice of 29<sup>th</sup> Annual General Meeting with Annual Report for the Financial Year 2018-19  
of Genesis Finance Company Limited**

Pursuant to Regulation 34(1) read with Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, please find enclosed the Notice of 29<sup>th</sup> Annual General Meeting scheduled to be held on Wednesday, 25<sup>th</sup> September, 2019 at the registered office of the Company, at 4 MMTC/STC Market, Geetanjali, New Delhi - 110017, alongwith Annual Report for the Financial Year 2018-19.

Please note, the softcopy of the enclosed Notice with Annual Report can be viewed at Company's website [www.genesisfinance.net](http://www.genesisfinance.net).

You are requested to kindly take the above information on your record.

Thanking you.

Yours faithfully,

For and on behalf of  
**GENESIS FINANCE COMPANY LIMITED**



**Gopal Bisht**  
**(Director & Chief Financial Officer)**

DIN: 00597160

Add.: 705 A/9, Ward No.3, Flat No.3,  
Mehrauli, Delhi - 110030

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## Notice

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NOTICE is hereby given that (29<sup>th</sup>) Twenty Ninth Annual General Meeting of the members of Genesis Finance Company Limited ("the Company") is scheduled to be held on **Wednesday, 25<sup>th</sup> September, 2019 at 11:00 A.M.** at the registered office of the Company at 4 MMTC/STC Market, Geetanjali, New Delhi -110017 to transact the following business:

### **ORDINARY BUSINESS:**

1. To consider and adopt the Audited Standalone Financial Statements of the Company for the financial year ended 31<sup>st</sup> March, 2019, together with the report of the Board of Directors' and the Statutory Auditor's thereon.
2. To appoint a Director in place of Mrs. Sangeeta Garg (DIN: 01117956), who retires by rotation in terms of section 152(6) of the Companies Act, 2013 and, being eligible, offer herself for re-appointment.
3. To appoint M/s M.C. Jain & Co., Chartered Accountants as the Statutory Auditors of the Company for a term of 5 consecutive years and fixation of terms, condition and remuneration thereof.

### **SPECIAL BUSINESS:**

4. **To appoint Mr. Feroz Malik (DIN: 00262559) as an Independent Non-Executive Director of the Company for a first term of five consecutive years:**

To consider, and if thought fit, to pass with or without modification(s), the following resolution as **Ordinary Resolution:**

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 150 and 152 of the Companies Act, 2013 ("the Act") and Companies (Appointment and Qualification of Directors) Rules, 2014 read with Schedule IV of the Act and any other applicable provisions, if any (*including any statutory modification(s) or re-enactment thereof for the time being in force*) and the provisions of Regulation 16(1)(b) and 17 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the consent of members of the Company be and is hereby accorded to appoint Mr. Feroz Malik (DIN: 00262559), *who was appointed by the Board of Directors, as recommended by the Nomination and Remuneration Committee, as an additional director under section 161(1) of the Act, and who vacates his office at this AGM,* as an Independent Director of the Company, who has submitted a declaration that he meets the criteria of independence under section 149(6) of the Act and Listing Regulations, to hold office for a term of 5 (five) consecutive years with effect from 4<sup>th</sup> January, 2019 and up to 3<sup>rd</sup> January, 2024 and shall not be liable to retire by rotation and on such other terms and conditions and remuneration as may be decided by the Management and to perform the duties as an Independent Director as required under the Act and any other duties as assigned by the Board from time to time.

**RESOLVED FURTHER THAT** any director of the Company be and is hereby, severally or jointly authorised to do all such needful acts, deeds matters and things as may be deemed necessary, proper or desirable and to sign and execute all necessary documents for the purpose of giving effect to this resolution along with the filing of necessary forms with the Registrar of Companies, NCT of Delhi.”

5. **To Re-appoint Mr. Umang Sarkar (DIN: 03172902) as an Independent Non-Executive Director of the Company for a Second Term of five consecutive years:**

To consider and, if thought fit, to pass with or without modifications(s), the following resolution as **Special Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Section 149, 150 and 152 of the Companies Act, 2013 (“the Act”) and Companies (Appointment and Qualification of Directors) Rules, 2014 read with Schedule IV of the Act and any other applicable provisions, if any (including any statutory modification(s) or re-enactment thereof for the time being in force) and the provisions of Regulation 16(1)(b) and 17 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), based on the recommendation of the Nomination and Remuneration Committee and the Board of Directors of the Company, Mr. Umang Sarkar (DIN: 03172902), *who was appointed as an independent director of the Company for a term of five years and is eligible for being re-appointed as an independent director* and who has submitted a declaration that he meets the criteria of independence under section 149(6) of the Act and Listing Regulations, and who is eligible for re-appointment, be and is hereby re-appointed as Independent Director of the Company to hold office for a second term of 5 consecutive years with effect from 27<sup>th</sup> September, 2019 and up to 26<sup>th</sup> September, 2024.

**RESOLVED FURTHER THAT** any director of the Company be and is hereby, severally or jointly authorised to do all such needful acts, deeds matters and things as may be deemed necessary, proper or desirable and to sign and execute all necessary documents for the purpose of giving effect to this resolution along with the filing of necessary forms with the Registrar of Companies, NCT of Delhi.”

6. **To re-appoint Mr. Naresh Garg (DIN: 00916814) as a Managing Director of the Company:**

To consider and, if thought fit, to pass with or without modifications(s), the following resolution as **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Sections 152, 196, 197, 198 and 203 of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 read with Schedule V of the Act and other applicable provisions, if any, (including any statutory modification(s) or re-enactment thereof for the time being in force) and the provisions of Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), the consent of the members be and is hereby accorded to re-appoint Mr. Naresh Garg (DIN: 00916814) as the Managing Director of the Company, *who has served a previous term of 5 consecutive years till 31<sup>st</sup> July, 2019 and who on recommendation of the Nomination and Remuneration Committee, was re-appointed by the Board of Directors vide a Resolution dated 1st August, 2019, for a further period of 5 consecutive years with effect from 1<sup>st</sup> August, 2019 to 31<sup>st</sup> July, 2024*, on such terms and conditions including remuneration as mutually agreed i.e. Rs. 3,50,000/- per month (Rupees Three Lakhs Fifty Thousand per month).

**RESOLVED FURTHER THAT** the Managing Director shall perform such duties and services as shall from time to time be entrusted to him including the powers exercisable by the Board under the Articles of Association of the Company and shall undertake to use his best endeavours to promote the interests of the Company and comply with such orders and directions as may be given to him by the Board from time to time.

**RESOLVED FURTHER THAT** the remuneration payable shall not exceed the overall ceiling of the total managerial remuneration as provided under Section 197 of the Companies Act, 2013.

**RESOLVED FURTHER THAT** during such time as Mr. Naresh Garg holds and continues to hold the office of Managing Director of the Company, he shall not be liable to retire by rotation.

**RESOLVED LASTLY THAT** any director of the Company be and is hereby, severally or jointly authorised to do all such needful acts, deeds matters and things as may be deemed necessary, proper or desirable and to sign and execute all necessary documents for the purpose of giving effect to this resolution along with the filing of necessary forms with the Registrar of Companies, NCT of Delhi.”

**7. To re-appoint Mr. Gopal Bisht (DIN: 00597160) as a Whole Time Director of the Company:**

To consider and, if thought fit, to pass with or without modifications(s), the following resolution as **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Sections 152, 196, 197, 198 and 203 of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 read with Schedule V of the Act and other applicable provisions, if any, (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Gopal Bisht (DIN: 00597160), and the provisions of Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“*Listing Regulations*”), the consent of the members be and is hereby accorded to re-appoint Mr. Gopal Bisht (DIN: 00597160) as the Whole Time Director of the Company, *who has served a previous term of 5 consecutive years till 31<sup>st</sup> July, 2019 and who on recommendation of the Nomination and Remuneration Committee, was re-appointed by the Board of Directors vide a Resolution dated 1<sup>st</sup> August, 2019, for a further period of 5 consecutive years with effect from 1<sup>st</sup> August, 2019 to 31<sup>st</sup> July, 2024* on such terms and conditions including remuneration as mutually agreed i.e. Rs. 45,000/- per month (Rupees Forty Five Thousand per month).

**RESOLVED FURTHER THAT** the Whole Time Director shall perform such duties and services as shall from time to time be entrusted to him including the powers exercisable by the Board under the Articles of Association of the Company and shall undertake to use his best endeavours to promote the interests of the Company and comply with such orders and directions as may be given to him by the Board from time to time.

**RESOLVED FURTHER THAT** the remuneration payable shall not exceed the overall ceiling of the total managerial remuneration as provided under Section 197 of the Companies Act, 2013.

**RESOLVED LASTLY THAT** any director of the Company be and is hereby, severally or jointly authorised to do all such needful acts, deeds matters and things as may be deemed necessary, proper or desirable and to sign and execute all necessary documents for the purpose of giving

effect to this resolution along with the filing of necessary forms with the Registrar of Companies,  
NCT of Delhi.”

By Order of the Board of Directors  
**GENESIS FINANCE COMPANY LIMITED**

**Sd/-**  
**Neeti Alwani**  
**(Company Secretary)**  
**ACS: 45231**

**Date: 29.08.2019**  
**Place: New Delhi**

## NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY/PROXIES NEED NOT TO BE A MEMBER OF THE COMPANY.**

Pursuant to the provision of Section 105 of the Companies Act, 2013 and the Rule 19 of the Companies (Management and Administration) Rules, 2014, a person can act as a proxy for not more than fifty (50) in number and holding in the aggregate not more than ten percent (10%) of the total share capital of the company carrying voting rights. However, a member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as a Proxy and such person shall not act as Proxy for any other member. The Instrument appointing the Proxy, in order to be valid and effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 (forty-eight) hours before the commencement of the meeting. Proxies submitted on behalf of companies, societies etc. must be supported by an appropriate resolution/authority, as applicable. Every Member entitled to vote at the Meeting can inspect the proxies lodged at the Company, at any time during the business hours of the Company, during the period beginning 24 (twenty-four) hours before the time fixed for the commencement of the Meeting and ending on the conclusion of the Meeting. However, a prior notice of not less than 3 (three) days in writing of the intention to inspect the proxies lodged shall be required to be provided to the Company.

2. The Statement pursuant to Section 102 and other applicable provisions of the Companies Act, 2013 and rules made thereunder, with respect to Special Business set out in the Notice is annexed hereto and forms part of the notice.
3. Pursuant to Regulation 36(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the details of Directors seeking appointment/re-appointment at the AGM are provided in **Annexure 1** to this notice. The Company has received the requisite consents/declarations for their appointment/re-appointment as required under the Companies Act, 2013 and the Rules thereunder.
4. Details of Auditors seeking Appointment at the AGM are provided in **Annexure 2** of this notice.
5. The proxy holder shall prove his identity at the time of attending the meeting.
6. When a member appoints a proxy and both the member and proxy attend the meeting, the proxy stands automatically revoked.
7. Only registered members of the Company or any proxy appointed by such registered member may attend and vote at the meeting as provided under the provisions of the Companies Act, 2013. In case any shareholder has voted electronically, then he/she can participate in the meeting but not vote.
8. Corporate members are requested to send a duly certified copy of the Board Resolution pursuant to Section 113 of the Companies Act, 2013/Power of Attorney authorizing their representative(s) to attend and vote on their behalf at the meeting.
9. Members holding shares in physical form are requested to intimate change in their registered address or bank particulars, mentioning full address in block letters with Pin code of the Post Office, mandate, bank particulars and Permanent Account Number (PAN) to the Company's RTA and in case of members holding their shares in electronic form, this information should be given to their Depository Participants immediately.
10. Pursuant to SEBI Circular dated 28 March 2018, all the shareholders who hold Equity Shares in physical mode and whose ledger folios do not have/have incomplete details with regard to their PAN and Bank Account details to intimate complete bank particulars and PAN to the Company's RTA. Members are requested to kindly adhere to the same.

No share transfer in physical form: SEBI vide its notification dated 8 June 2018 has amended regulation 40 of SEBI (Listing Regulations & Disclosure Requirements) Regulation 2015 and accordingly as per the amended regulation transfer of shares or securities shall be mandatory in demat form. Therefore any request for transfer of shares or securities in physical form (transfer deeds with share certificate) is not allowed to accept and process after 1 April 2019. In this Regard, Members are requested to dematerialize / demat their shares or securities held in physical form. The amendment does not impact the shareholders requests for transmission or transposition of securities held in physical mode.

11. Members holding shares in physical form and wishing to make / change a nomination in respect of their shareholding in the Company, as permitted under Section 72 of the Companies Act, 2013 may submit the prescribed particulars in Form No. SH-13 (Nomination Form) or SH-14 (Cancellation or Variation of Nomination) to the Company.
12. The Company has entered into necessary arrangement with NSDL and CDSL to enable the shareholders to dematerialize their shareholding in the Company for which they may contact the Depository Participant of either of the above Depositories.
13. Members are requested to notify immediately changes of address, nominations, etc., if required:
  - (i) to their Depository Participants (DPs) in respect of their shares held in Demat form and
  - (ii) to the Company or to its Registrar & Transfer Agent in respect of the shares held in physical form, if any.
14. All documents referred to in the notice and accompanying explanatory statement are open for inspection at the Registered Office and Corporate Office of the Company on all working days, except Saturday, Sunday and public holidays between 10:00 A.M. to 3:00 P.M., up to the date of the AGM. The notice is also available on the Company's website: [www.genesisfinance.net](http://www.genesisfinance.net)
15. The Register of Member and Share Transfer Books of the Company will remain closed from Wednesday, 18<sup>th</sup> September, 2019 to Wednesday, 25<sup>th</sup> September, 2019, both days inclusive.
16. Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013 shall be open for inspection during business hours at the Registered Office of the Company and shall be kept open for inspection at the Annual General Meeting. The Register of Contracts and Arrangements in which Directors are interested under Section 189 of the Companies Act, 2013 shall be made available at the commencement of the meeting and shall remain open and accessible to the members during the continuance of the meeting.
17. The Board has appointed Mr. Samrish Bhanja (FCS: 4742), Managing Partner of B Samrish & Co., Company Secretaries, as Scrutinizer for conducting the voting and remote e-voting process, in a fair and transparent manner.
18. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast at the Meeting and thereafter unblock the votes cast through remote e-voting in the presence of atleast two (2) witnesses not in the employment of the Company and make, not later than 48 hours of conclusion of AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman of the Company or a person authorized by him in writing who shall countersign the same. The Chairman or a person authorized by him in writing shall declare the results of the voting forthwith.
19. Electronic copy of this notice along with Attendance Slip, Proxy Form and the Annual Report for FY 2018-19 is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a physical copy of the same. For members who have not registered their email address, physical copies of this notice along with Attendance Slip, Proxy Form and the Annual Report for FY 2018-19 is being sent as per the permitted mode.

20. In view of Go Green initiative being undertaken by the Company, members who have not yet registered their e-mail address so far are requested to register/update their e-mail addresses with the Company's RTA or with the Company. Shareholders holding shares in dematerialized form are requested to register their e-mail addresses and changes therein with the concerned Depositories through their Depository Participant.
21. Members are requested to bring their copy of Annual Report to the meeting. A member desirous of getting any information with regard to Accounts of the Company is requested to send the queries to the Company at least 10 days before the meeting to the Company Secretary at the Registered Office of the Company.
22. Members are requested to produce the enclosed attendance slip duly signed as per the specimen signature recorded with the Company/Depository Participant along with a valid identity proof for admission at the entrance to the place of the meeting.
23. In case of joint holders attending the meeting, the member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
24. Route map of the AGM venue, pursuant to the Secretarial Standard on General Meetings, is also annexed at the end of this Notice.
25. **Voting Through Electronic Means:**
  - i) In compliance with provisions of Section 108 of the Companies Act, 2013 read with rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2016 and as per Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 ('Listing Regulations'), the Company is pleased to provide members with the facility of voting through electronic means in respect of business to be transacted at the meeting and the business may be transacted through e-voting services provided by CDSL.
  - ii) The facility of voting through e-Tablet voting /electronic means shall also be made available for the members at the meeting who have not been able to vote electronically and who are attending the meeting. The members who have cast their vote electronically would be entitled to attend the meeting but would not be permitted to cast their vote again at the meeting.
  - iii) The remote e-voting period commences on Saturday, 21 September, 2019 (9:00 A.M. IST) and ends on Tuesday, 24 September 2019 (5:00 P.M. IST). During this period, members of the Company, holding shares either in physical form or in dematerialized form, as on the close of working hours on Thursday, 19 September 2019 ('Cut-off date') may cast their vote electronically. The remote e-voting module shall be disabled by CDSL for voting on Tuesday, 24 September 2019 after 5:00 P.M. IST. Once the vote on a resolution is cast by the member, he/she shall not be allowed to change it subsequently.
  - 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 shareholders can opt for only one mode of voting i.e. remote e-voting or physical polling at the meeting. In case of voting by both the modes, vote casted through remote e-voting will be considered final and voting through physical ballot will not be considered.



## Process and Manner for member opting for remote e-voting

The instructions for remote e-voting are as follows:

- i) The voting period begins on 21<sup>st</sup> September, 2019 from 09:00 A.M. and ends on 24<sup>th</sup> September, 2019 at 05:00 P.M. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 19<sup>th</sup> September, 2019 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- iii) Click on Shareholders / Members
- iv) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- v) Next enter the Image Verification as displayed and Click on Login.
- vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- vii) **If you are a first time user follow the steps given below:**

	<b>For Members holding shares in Demat Form and Physical Form</b>
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"><li>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li><li>• In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li></ul>
Dividend Bank Details <b>OR</b> Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"><li>• If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</li></ul>

- viii) After entering these details appropriately, click on "SUBMIT" tab.

- ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- xi) Click on the EVSN for the "Genesis Finance Company Limited" on which you choose to vote.
- xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- xvii) If a demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xviii) **Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.**

xix) **Note for Non – Individual Shareholders and Custodians**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com). The contact details of official responsible to address grievances connected with remote e-voting are Shri Rakesh Dalvi, Manager, Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (E), Mumbai – 400013.; Phone No. 1800225533 or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)

By Order of the Board of Directors  
**GENESIS FINANCE COMPANY LIMITED**

Sd/-  
**Neeti Alwani**  
**(Company Secretary)**  
**ACS: 45231**

**Date: 29.08.2019**  
**Place: New Delhi**

## **EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**

### **Item No.4:**

#### **Appointment of Mr. Feroz Malik as an Independent Non-Executive Director**

The Board of Directors of the Company (“the Board”), based on the recommendation of Nomination and Remuneration Committee, vide a resolution passed by circulation on 4<sup>th</sup> January, 2019 appointed Mr. Feroz Malik (DIN: 00262559) as an Additional Independent Director of the Company subject to the approval of members of the Company at the ensuing Annual General Meeting of the Company, to hold office for one term of five consecutive years with effect from 4<sup>th</sup> January, 2019.

Mr. Feroz Malik has accorded his consent to act as a Director of the Company and has submitted the declaration of independence, pursuant to Section 149(7) of the Companies Act, 2013 stating that he meets the criteria of independence as provided in section 149(6) and Regulation 16 of SEBI (Listing Regulation and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”). Further, he has submitted a declaration that he is not disqualified from being appointed as a Director pursuant to the terms of Section 164 of the Companies Act, 2013.

In respect of his appointment, a notice in the prescribed manner, as required under Section 160 of the Companies Act, 2013 and rules made thereunder, has been received by the company, regarding the candidature for the office of Director.

In terms of Sections 149, 150 and 152 read with Schedule IV and any other applicable provisions, if any of the Companies Act, 2013 and rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Feroz Malik is proposed to be appointed as an Independent Director of the Company to serve one term of five consecutive years with effect from 4<sup>th</sup> January, 2019 and up to 3<sup>rd</sup> January, 2024, and in the opinion of the Board the said appointment is independent of the management, in all respects.

The terms and conditions of his appointment shall be open for inspection at the registered office of the Company by any member during the normal business hours except on Saturdays and Sundays and the same shall also be available on the website of the company.

**Brief Resume:** Mr. Feroz Malik is Whole-time Director in Globus Roaming Services Private Limited. He is a Commerce Graduate from Delhi University and holds 25 years of rich experience and expertise in the field of business management.

Mr. Feroz Malik does not hold by himself or for any other person on a beneficial basis, any shares in the Company.

Except Mr. Feroz Malik and none of the Directors, Key Managerial Personnel of the Company or their relatives are in any way, concerned or interested, in the resolution set out at item no. 4 of the notice.

The Board considers that his association would be of immense benefit to the Company and it is desirable to avail services of Mr. Feroz Malik as an Independent Director.

**Item No.5:**

**Re-appointment of Mr. Umang Sarkar (DIN: 03172902) as an Independent Director for a second term of five consecutive years.**

Pursuant to the provisions of Section 149 of the Companies Act, 2013 (“the Act”), every listed Company is required to have one-third of the total number of directors as Independent Directors. Accordingly Mr. Umang Sarkar (DIN: 03172902) was appointed as an Independent Non-Executive Director of the Company in the Annual General Meeting held on 27<sup>th</sup> September, 2014 to hold office for first term of five consecutive years.

Since the first term of Mr. Umang Sarkar is due for expiry, based on the recommendation of Nomination and Remuneration Committee, considering the skill, experience, knowledge he possess and the report of performance evaluation of the independent director for the financial year 2018-19, the Board has recommended for the approval of the members, the re-appointment of Mr. Umang Sarkar for a second term of five consecutive financial years w.e.f. 27<sup>th</sup> September, 2019 to 26<sup>th</sup> September, 2024 in terms of section 149 read with Schedule IV to the Act, SEBI (Listing Regulations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) or any amendment thereto or modification thereof.

As per Section 149(10) and 149(11) of the Act, an Independent Director shall hold office for a term of up to five consecutive years on the Board of a Company, but shall be eligible for re-appointment on passing a special resolution by the Company for second term of five consecutive years on the Board of a Company.

The Company has received a declaration of independence from Mr. Umang Sarkar as specified under Section 149(6) of the Companies Act, 2013 and Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for appointment as Independent Director of the Company.

The terms and conditions of his appointment shall be open for inspection at the registered office of the Company by any member during the normal business hours except Saturdays and Sundays and the same shall also be available on the website of the company.

Mr. Umang Sarkar does not hold by himself or for any other person on a beneficial basis, any shares in the Company.

Except Mr. Umang Sarkar, none of the Directors, Key Managerial Personnel of the Company or their relatives is in any way, concerned or interested, in the resolution set out at item no. 5 of the notice.

**Brief Resume:** Mr. Umang Sarkar is a qualified Chartered Accountant having expertise in the field in Taxation, Auditing and Due Diligence services. He is also holding office as a Director in Visual Impact Security System Private Limited (under process of Strike Off).

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Umang Sarkar as an Independent Director.

**Item No.6:**

**Re-appointment of Mr. Naresh Garg (DIN: 00916814) as a Managing Director of the Company**

Mr. Naresh Garg, Promoter of the Company, has been serving the Company since 1994. He was appointed as the Managing Director of the Company in the Board Meeting held on 14<sup>th</sup> August, 2014 for a period of 5 consecutive years with effect from 1<sup>st</sup> August, 2014 to 31<sup>st</sup> July, 2019. Mr. Naresh Garg is the founder of Genesis Finance Company Limited. He has been an eminent member of the Board.

The Board of Directors of the Company at their meeting held on 1<sup>st</sup> August, 2019, on recommendation of Nomination and Remuneration Committee and subject to approval of members of the Company at 29<sup>th</sup> AGM, re-appointed Mr. Naresh Garg as the Managing Director of the Company for further terms of 5 years with effect from 1<sup>st</sup> August, 2019 to 31<sup>st</sup> July, 2024, on such terms and remuneration as agreed i.e. Rs. 3,50,000/- (Rupees Three Lakh Fifty Thousand) per month. He will not be liable to retire by rotation during this period

**Brief Resume:** Mr. Naresh Garg holds Master degree in Commerce and has expertise in the field of Leasing and Hire Purchase business. He also holds the directorship in the companies, Genesis Holdings Private Limited and Genesis Dream Merchants Private Limited.

Except Mrs. Sangeeta Garg (spouse), none of the other Directors and Key Managerial Personnel (KMP) of the Company or their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No 6.

His expertise in the field of Leasing and Hire-Purchase business has proved out to be a vital source for the growth and development of the Company and the Board is of a view that Mr. Naresh Garg on the Board would be beneficial for the Company, hence, recommends the resolution in relation to the re-appointment of Mr. Naresh Garg, as Managing Director of the Company.

**Item No.7:**

**Re-appointment of Mr. Gopal Bisht (DIN: 00597160) as a Whole Time Director of the Company**

Mr. Gopal Bisht (DIN: 00597160) has been serving the Company since 1995. He joined the Company as an employee in Finance Department. His sheer dedication and contribution towards the growth of the Company awarded him the place in Board of Directors of the Company in the year 2004. He was further appointed as the Whole Time Director of the Company in the year 2008 in accordance with the provisions of the Companies Act, 1956.

The Board of Directors in their Meeting held on 14th August, 2014, on the recommendation of Nomination and Remuneration Committee, appointed him as Chief Financial Officer and Key Managerial Personnel of the Company in pursuance of the provisions of Section 203 of the Companies Act, 2013.

The Board of Directors of the Company at their meeting held on 1<sup>st</sup> August, 2019, on recommendation of Nomination and Remuneration Committee and subject to approval of members of the Company at 29<sup>th</sup> AGM, re-appointed Mr. Gopal Bisht as the Whole Time Director of the Company for a further terms of 5 years with effect from 1<sup>st</sup> August, 2019 to 31<sup>st</sup> July, 2024, on such terms and remuneration as agreed i.e. Rs.45,000/- (Rupees Forty Five Thousand) per month.

**Brief Resume:** Mr. Gopal Bisht is Commerce Graduate from Kumaun University, Nainital. He is also director in the Genesis Holdings Private Limited. He has experience in Finance and Office Administration for more than 20 years.

Except Mr. Gopal Bisht, none of the other Directors and Key Managerial Personnel (KMP) of the Company or their relatives are concerned or interested, financial or otherwise, in the resolution set out at Item No 7.

The Board of Directors is of a view that Mr. Gopal Bisht's expertise in the field of Finance related matters and office administration would be beneficial for the Company and hence, recommends the resolution in relation to the re-appointment of Mr. Gopal Bisht, as Whole Time Director of the Company.

**Annexure 1:****DETAILS OF DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT AT THE 29<sup>TH</sup> ANNUAL GENERAL MEETING**

*Pursuant to Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.*

Name of the Director	<b>Mrs. Sangeeta Garg</b>	<b>Mr. Feroz Malik</b>	<b>Mr. Umang Sarkar</b>	<b>Mr. Naresh Garg</b>	<b>Mr. Gopal Bisht</b>
DIN	01117956	00262559	03172902	00916814	00597160
Date of Birth & Age	06.01.1968 (51 years)	02.10.1966 (53 years)	21.12.1980 (39 years)	05.04.1961 (58 years)	30.06.1971 (48 years)
Date of appointment on the Board	27.11.1997	04.01.2019	14.08.2014	10.07.1994	30.06.2004
Qualifications	B.Com	B.Com	Chartered Accountant	M.Com	B.Com
Expertise in Specific Functional Area	Office Administration and Management	Business Management	Taxation Auditing and Due Diligence	Leasing and Hire Purchase Business	Finance and Office Management
Number of Meetings of the Board attended during the Financial Year 2018-19	9	1*	2	9	9
List of Directorship in other Listed Entities	Nil	Nil	Nil	Nil	Nil
List of Membership / Chairmanship of Committees of Board on other Listed entities	Nil	Nil	Nil	Nil	Nil
Shareholding in Genesis Finance Company Limited	44,80,560 equity shares	Nil	Nil	35,48,480 equity shares	4,000 equity shares
Relationship with other directors, manager and other Key Managerial Personnel of the Company	Wife of Mr. Naresh Garg, Managing Director	Not related	Not related	Husband of Mrs. Sangeeta Garg, Wholetime Director	Not related
Terms and Conditions of appointment/re-appointment along with details of remuneration sought to be paid and remuneration last drawn by such person	As per Nomination and Remuneration Policy  Remuneration last drawn is Rs.30,00,000/- in Financial Year 2017-18.	As per Nomination and Remuneration Policy  -	As per Nomination and Remuneration Policy  -	As per Nomination and Remuneration Policy  Remuneration last drawn is Rs.42,00,000/- in Financial Year 2017-18.	As per Nomination and Remuneration Policy  Remuneration last drawn is Rs.4,50,000/- in Financial Year 2017-18.

*\*Mr. Feroz Malik was appointed as an Additional Director (Independent) on 04.01.2019 and attended one Board Meeting out of two Board Meetings held after his appointment during the F.Y. 2018-19.*



## Annexure 2:

### **Item No.3**

#### **DETAILS OF AUDITORS SEEKING APPOINTMENT AT THE 29<sup>TH</sup> ANNUAL GENERAL MEETING**

Name of the Auditor Firm	<b>M/s M.C. Jain &amp; Co.</b>
ICAI Registration No. (FRN)	304012E
Address	4701/21-A, Ansari Road, Darya Ganj, New Delhi – 110002
Contact Details	Telephone: 011-23280102
Email	mcjain.co@gmail.com

Disclosures in pursuant to Regulation 36(5) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

<b>Regulation</b>	<b>Particulars</b>	<b>Disclosure</b>
36(5)(a)	Proposed Fee payable to the Statutory Auditor M.C. Jain & Co.	Statutory Audit Fee: Rs. 1,00,000/- Tax Audit Fee: Rs. 50,000/- Certification Fee: Rs. <u>50,000/-</u>  <b>Total</b> <b>Rs.2,00,000/-</b>  The above proposed fee is excluding GST and out of pocket expenses. The above fees will be paid on annual basis.
36(5)(a)	Terms of Appointment	To conduct <ul style="list-style-type: none"><li>• the Statutory Audit under Companies Act, 2013;</li><li>• the Tax Audit under Income Tax Act, 1961;</li><li>• Certification(s) as may be required under various laws.</li></ul>
36(5)(b)	Basis of recommendation for appointment including the details in relation to and credentials of the statutory auditor M.C. Jain & Co.	M.C. Jain & Co has been recommended on account of their experience in the field. The firm is in existence for more than 35 years with more than 10 partners. They have been central statutory auditor of Allahabad Bank and many other public sector undertakings. They are having Peer Review Certificate from ICAI.

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**Proxy Form**

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

**GENESIS FINANCE COMPANY LIMITED**

**CIN: L65910DL1990PLC040705**

**Registered Office: 4 MMTC/STC Market Geetanjali, New Delhi-110017**

<b>Name of the Member(s):</b>	
<b>Registered address:</b>	
<b>Folio No./Client Id:</b>	<b>DP ID:</b>
<b>E-mail Id:</b>	

I/We, being the member(s) of..... Shares of the above named Company, hereby appoint:

<b>Name:</b>	<b>Address:</b>
<b>E-mail Id:</b>	<b>Signature:</b>
<b>or failing him/her</b>	
<b>Name:</b>	<b>Address:</b>
<b>E-mail Id:</b>	<b>Signature:</b>

as my/our proxy to attend and vote for me/us and on my/our behalf at the 29<sup>th</sup>Annual General Meeting of Company to be held on Wednesday, September 25, 2019 at 11:00 a.m. at the registered office at 4 MMTC/STC Market Geetanjali, New Delhi-110017 and at any adjournment thereof in respect of such resolutions as are indicated below:

<b>Resolution No. and Brief Description of Item</b>	<b>Type of Resolution</b>	<b>(For)</b>	<b>(Against)</b>
1. To consider and adopt the Audited Standalone Financial Statements of the Company for the financial year ended 31 <sup>st</sup> March, 2019, together with the report of the Board of Directors' and the Statutory Auditor's thereon.	Ordinary		
2. To appoint a Director in place of Mrs. Sangeeta Garg (DIN: 01117956), who retires by rotation in terms of section 152(6) of the Companies Act, 2013 and, being eligible, offer herself for re-appointment.	Ordinary		
3. To appoint M/s M.C. Jain & Co., Chartered Accountants as the Statutory Auditors of the Company for a term of 5 consecutive years and fixation of terms, condition and remuneration thereof	Ordinary		
4. To appoint Mr. Feroz Malik (DIN: 00262559) as an Independent Non-Executive Director of the Company for a first term of five consecutive years	Ordinary		

5. To Re-appoint Mr. Umang Sarkar (DIN: 03172902) as an Independent Non-Executive Director of the Company for a Second Term of five consecutive years	Special		
6. To re-appoint Mr. Naresh Garg (DIN: 00916814) as a Managing Director of the Company	Ordinary		
7. To re-appoint Mr. Gopal Bisht (DIN: 00597160) as a Whole Time Director of the Company	Ordinary		

Signed this \_\_\_\_ day of \_\_\_\_\_, 2019

**Signature of Shareholder**

Affix Revenue Stamp
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**Signature of Proxy holder(s)**

**Note:** This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, before the commencement of the Meeting.

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**Attendance Slip**

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**GENESIS FINANCE COMPANY LIMITED**

**CIN: L65910DL1990PLC040705**

**Registered Office: 4 MMTC/STC Market Geetanjali, New Delhi-110017**

<b>Regd. Folio/DP ID &amp; Client ID</b>	
<b>Name and Address of the Shareholder(s)</b>	
<b>Joint Holder 1</b>	
<b>Joint Holder 2</b>	

✚ I hereby record my presence at the 29<sup>th</sup> ANNUAL GENERAL MEETING of the Company being held on Wednesday, September 25, 2019 at 11:00 a.m. at the registered office at 4 MMTC/STC Market Geetanjali, New Delhi-110017.

✚ Signature of the Shareholder/Proxy Present.

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✚ Shareholder/Proxy holder wishing to attend the meeting must bring the Attendance Slip to the meeting and handover at the entrance duly signed.

✚ Shareholder/Proxy holder desiring to attend the meeting may bring his/her copy of the Annual Report for reference at the meeting.

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**Ballot Form**

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**GENESIS FINANCE COMPANY LIMITED**

**CIN: L65910DL1990PLC040705**

**Registered Office: 4 MMTC/STC Market Geetanjali, New Delhi-110017**

**FORM - MGT -12  
BALLOT PAPER/POLLING PAPER**

<b>Name(s) of Member(s) :</b> (In BLOCK/CAPITAL LETTERS)	
<b>Registered Address :</b>	
<b>DP ID / Client ID* or Registered Folio No :</b>	
<b>No. of equity shares held :</b>	

**\*Applicable in case of Share held in electronic form**

I/We hereby exercise my/our vote in respect of the following resolution(s) as set out in the Notice of 29<sup>th</sup> Annual General Meeting of Company scheduled to be held on Wednesday, 25<sup>th</sup> September, 2019 at 11:00 A.M. at the registered office at 4 MMTC/STC Market, Geetanjali, New Delhi-110017, which is proposed to be placed for consideration of members at the aforesaid Annual General Meeting of the Company, by conveying my/our assent and/or dissent to the said Resolution(s) in the relevant box as stated herein below:

<b>Resolution No.</b>	<b>Resolution</b>	<b>No. of Equity Share(s) Held</b>	<b>I/We assent to the resolution (For)*</b>	<b>I/We dissent to the resolution (Against)*</b>
<b>Ordinary Businesses</b>				
<b>1.</b>	To consider and adopt the Audited Standalone Financial Statements of the Company for the financial year ended 31 <sup>st</sup> March, 2019, together with the report of the Board of Directors' and the Statutory Auditor's thereon.			
<b>2.</b>	To appoint a Director in place of Mrs. Sangeeta Garg (DIN: 01117956), who retires by rotation in terms of section 152(6) of the Companies Act, 2013 and, being eligible, offer herself for re-appointment.			

3.	To appoint M/s M.C. Jain & Co., Chartered Accountants as the Statutory Auditors of the Company for a term of 5 consecutive years and fixation of terms, condition and remuneration thereof			
<b>Special Businesses</b>				
4.	To appoint Mr. Feroz Malik (DIN: 00262559) as an Independent Non-Executive Director of the Company for a first term of five consecutive years			
5.	To Re-appoint Mr. Umang Sarkar (DIN: 03172902) as an Independent Non-Executive Director of the Company for a Second Term of five consecutive years			
6.	To re-appoint Mr. Naresh Garg (DIN: 00916814) as a Managing Director of the Company.			
7.	To re-appoint Mr. Gopal Bisht (DIN: 00597160) as a Whole Time Director of the Company.			

**\*Please put a tick mark (✓) in appropriate column against the resolution(s) indicated above. In case of member/proxy wishes his/her vote to be used differently, he/she should indicate the number of shares under the columns 'For' and/or 'Against'.**

### **INSTRUCTIONS**

1. This Ballot Paper is provided, pursuant to Regulation 4(2) (a) (iii) read with rule 44 of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 to enable the shareholder(s) or their proxy(ies) for voting by way of Ballot Paper(s), who does not have access to e-voting facility and /or who have not voted through e-voting, so that they can also participate in voting through this physical Ballot Paper.
2. A Member can opt for only one mode of voting i.e. either through e-voting or by Ballot paper if a Member casts votes by both modes, then voting done through remote e-voting shall prevail and voting by Ballot paper shall be treated as invalid.
3. The Scrutinizer will collate the votes downloaded from the e-voting system and votes received through physical ballot paper from member(s) at the venue of AGM for declaring the final result for each of the resolutions forming part of 29<sup>th</sup> AGM notice of company.

**Process and manner for Members opting to vote by using the Ballot Paper:**

1. Please complete and sign the Ballot Paper and drop in the locked ballot box placed in the meeting hall for voting purpose with respect to Annual General Meeting (“AGM”) of the company as scheduled on Wednesday, 25<sup>th</sup> September, 2019
2. This ballot Paper should be signed by the Member (s) as per the specimen signature (s) registered with Registrar and Share Transfer Agent of the Company viz. M/s Skyline Financial Services Private Limited or by their proxy(ies) duly authorized by the member. In case of joint holding, the ballot Paper should be completed and signed by the first Member as registered in Register of Members and in his/her absence, by the next joint holder or by their proxy(ies) duly authorized by any one of the joint holders. A Power of Attorney (POA) holder may vote on behalf of a Member, mentioning the registration number of the POA registered with the Company or enclosing and duly attested copy of the POA registered with the company or enclosing therewith duly attested/notarized copy of the POA.
3. In case the shares are held by companies, trusts, societies, etc. the duly completed Ballot Paper should be accompanied by a certified true copy of the relevant Board Resolution/Authorization document(s) consisting therein the attested signature(s) of authorized person(s).
4. Votes should be cast in case of each resolution either in favour or against by putting the tick (√) mark in the respective column(s) provided in the Ballot Paper.
5. The voting rights of shareholders shall be in proportion of the shares held by them in the Paid-up Equity Share Capital of the Company as on Thursday, 19<sup>th</sup> September, 2019 and each fully paid up equity shares carries one voting right.
6. Unsigned, incomplete, improperly or incorrectly tick marked Ballot Papers will be rejected. The Ballot Papers will also be rejected if it is received torn, defaced or mutilated to the extent which makes it difficult for the Scrutinizer to identify either the Member or when it is not ascertainable that vote(s) have been cast by member (s) in favour or against the resolution or when the signature(s) of member(s) cannot be verified with the available records of registrar & share transfer agent of company M/s. Skyline Financial Services Private Limited.
7. The decision of the Scrutinizer on the validity of the Ballot Paper(s) and any other allied matter(s) thereto shall be final and binding the on member(s) of company.
8. The consolidated result for voting done by the members of company through e-voting & ballot voting for all the resolution(s) placed in the AGM of company and as declared by Chairman/duly authorized person along with respective scrutinizer’s report shall be uploaded on the company’s website i.e. [www.genesisfinance.net](http://www.genesisfinance.net) within 48 hours of conclusion of AGM and on the website of CDSL at [www.evotingindia.com](http://www.evotingindia.com) whenever they upload, and will simultaneously be also forwarded to the stock exchange (viz. Metropolitan Stock Exchange of India Limited ) where the company’s equity shares are listed, as per respective rules/regulations applicable thereto.

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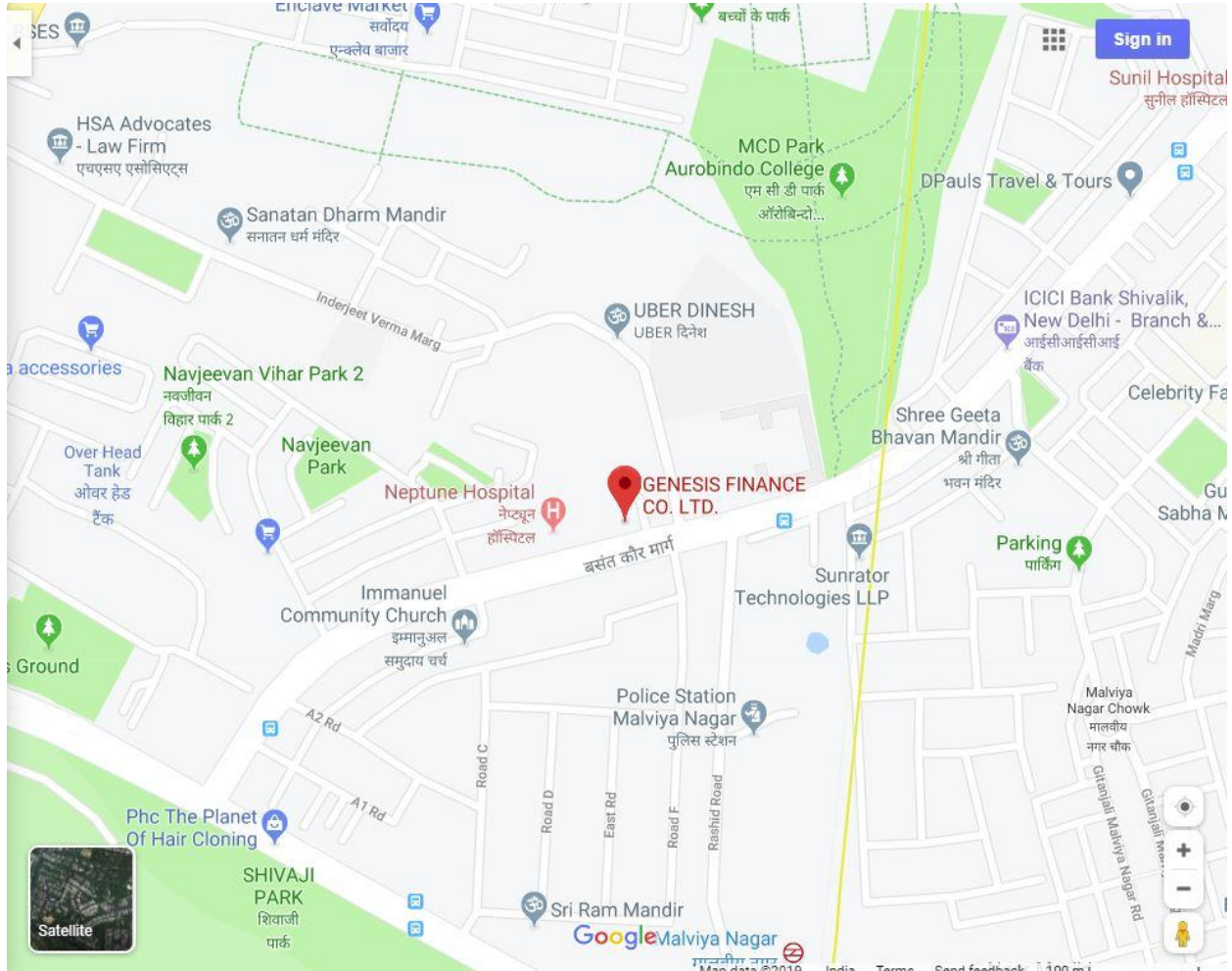
## Route Map

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### ROUTE MAP TO THE 29<sup>TH</sup> AGM VENUE

Address:- 4 MMTC/STC Market, Geetanjali, New Delhi -110017  
New Delhi-110017  
Tel: 011-26691132





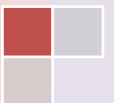
29<sup>th</sup>  
AGM

# Annual Report 2018-19

## Experience Genesis

## Get Loan

Genesis Finance Company Limited  
CIN: L65910DL1990PLC040705



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**CORPORATE INFORMATION**

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**GENESIS FINANCE COMPANY LIMITED**

**CIN: L65910DL1990PLC040705**

**Board of Directors**

**Mr. Naresh Garg**

*Chairman, Managing Director*

**Ms. Sangeeta Garg**

*Whole Time Director*

**Mr. Gopal Bisht**

*Whole Time Director, Chief Financial Officer*

**Mr. Umang Sarkar**

*Independent Non-Executive Director*

**Mr. Aashish Ghai**

*Independent Non-Executive Director*

**Mr. Feroz Malik**

*Additional Independent Director*

**Audit Committee**

**Mr. Umang Sarkar**

*Chairman*

**Mr. Aashish Ghai**

*Member*

**Mr. Feroz Malik**

*Member*

**Stakeholder Relationship Committee**

**Mr. Umang Sarkar**

*Chairman*

**Ms. Sangeeta Garg**

*Member*

**Mr. Naresh Garg**

*Member*

**Nomination & Remuneration Committee**

**Mr. Umang Sarkar**

*Chairman*

**Mr. Aashish Ghai**

*Member*

**Mr. Feroz Malik**

*Member*

**Risk Management Committee**

**Mr. Naresh Garg**

*Chairman*

**Ms. Sangeeta Garg**

*Member*

**Mr. Gopal Bisht**

*Member*

**Banker**

State Bank of India

**Registered Office Address**

4 MMTC/STC Market Geetanjali, New Delhi-110017

**Statutory Auditors**

M.C. Jain & Co., Chartered Accountants

**Secretarial Auditors**

A. Upadhyaya & Associates, Company Secretaries

**Company Secretary**

Ms. Neeti Alwani

**Chief Financial Officer**

Mr. Gopal Bisht

**Registrar & Transfer Agents**

Skyline Financial Services Private Limited  
D-153A, 1st Floor, Okhla Industrial Area,  
Phase – I, New Delhi-110020

**Website**

<http://genesisfinance.net/>

# ***STATUTORY REPORTS***

## **DIRECTOR'S REPORT**

***Dear Members,***

Your Directors take immense pleasure in presenting Twenty Ninth (29<sup>th</sup>) Annual Report of Genesis Finance Company Limited (hereinafter to be referred as “the Company”) along with the Audited Financial Statements for the financial year ended on 31<sup>st</sup> March, 2019. Further in compliance with the Companies Act, 2013, the Company has made all the requisite disclosure in this Board Report with the objective of accountability and transparency in its operations to make you aware about the performance and future perspective of the Company.

### **BACKGROUND**

The Company is engaged in a Non- Banking Finance Company (“NBFC”), holding Certificate of Registration (CoR No. 14.00023) dated 1<sup>st</sup> February, 1998. The Company is a leading Indian Financial Institution specialising in providing debt financing to MSMEs and consumers in India. The Company has been in the business for more than 25 years and was amongst the first 25 NBFCs registered with RBI.

### **1. FINANCIAL SUMMARY**

The financial performance of the Company for the financial year ended 31<sup>st</sup> March, 2019 is summarized below:-

<b>Particulars</b>	<b>(INR in lakhs)</b>	
	<b>For the financial year ended 31<sup>st</sup> March, 2019</b>	<b>For the financial year ended 31<sup>st</sup> March, 2018</b>
Total Income (including other income)	1,443.24	1,450.99
Total Expense	817.03	932.09
Profit before Interest, Tax and Depreciation	626.2	518.9
Less: Depreciation and Amortization expense	31.37	71.75
Profit before tax	594.82	447.14
Less: Tax Paid	168.00	154.61
Profit after tax	430.74	292.53
Balance brought forward from previous year	-	-
Profit available for appropriations	430.74	292.53

<b>Appropriations:</b>		
Transfer to reserves	430.74	292.53
Dividend Paid	-	-
<b>Balance carried to Balance Sheet</b>	-	-

## **2. PERFORMANCE REVIEW AND STATE OF THE COMPANY AFFAIRS**

During the financial year 2018-19, the Company earned a profit of INR 43,074,654.31 as against the profit of previous Financial Year 2017-18 of INR 29,253,298.35.

The Company sustained its commitment to the highest level of quality, best in class service management, security practices and mature business continuity processes that have collectively helped achieve significant milestones during the year. The environment wasn't very stable but the growth is commendable in the present situations.

It is imperative that affair of our company are managed in a fair and transparent manner. This is vital to gain and retain the trust of our stakeholders.

## **3. TRANSFER TO RESERVES**

The company has transferred a sum of INR 80,00,000 as per the provisions of Section 45-IC of Reserve Bank of India, 1934 to the Statutory Reserve Account for the financial year ended 31<sup>st</sup> March, 2019. The Company has transferred net profit for the year amounting to INR 4,30,74,654.31 to Reserve and Surplus Accounts.

## **4. DIVIDEND**

In view with the recent growth prospects and profitability the Company in the industry and investing the profits in other avenue for higher profits, the Company has decided to retain the profits. Therefore, the Board didn't recommend any amount in the name of dividend to be distributed among the shareholders for the Financial Year 2018-19.

## **5. MATERIAL CHANGES AND COMMITMENTS DURING THE FINANCIAL YEAR**

During the Financial Year 2018-19, the Company got listed on Metropolitan Stock Exchange of India ("MSEI") with 3,85,40,000 (Three Crore Eighty Five Lakh Forty Thousand) capital with effect from 17<sup>th</sup> September, 2018. However, there is a difference between the issued capital and listed capital of the Company. The issued capital of the Company is 4,63,97,120 whereas the listed capital of the Company is 3,85,40,000. The difference between the issued capital and listed capital comprise of those Compulsorily Convertible Debentures which were converted into equity shares during the Financial Year 2017-18 along with the bonus shares issued to

Compulsorily Convertible Debenture holders. The Company is taking up necessary action to get its unlisted capital, listed on MSEI.

## **6. CHANGE IN THE NATURE OF BUSINESS**

There is no change in the nature of the Business during the financial year 2018-19 under review.

## **7. HOLDING COMPANY, SUBSIDIARY COMPANY, JOINT VENTURES OR ASSOCIATE COMPANY**

As on 31<sup>st</sup> March, 2019, the Company doesn't have any Holding, Associate or Subsidiary Companies.

## **8. PUBLIC DEPOSIT**

The Company being an NBFC, the provisions of Chapter V of the Companies Act, 2013 are not applicable to the Company.

## **9. DETAILS OF DIRECTORS OR KEY MANAGERIAL PERSONNEL APPOINTED/ RESIGNED DURING THE YEAR**

### ***Change in Directorate:***

#### **Appointment/Reappointment of Directors:**

- a) The Board vide Resolution by Circulation No. 01/2018-19 dated 4<sup>th</sup> January, 2019 appointed Mr. Feroz Malik (DIN: 00262559) as an Additional Independent Director of the Company with effect from 4<sup>th</sup> January, 2019 to hold office for a term of Five (5) consecutive years subject to the approval of the shareholders of the Company at the ensuing Annual General Meeting of the Company.
- b) Mr. Umang Sarkar (DIN: 03172902), Independent Director of the Company whose term expires at ensuing Annual General Meeting and being eligible for re-appointment as an Independent Director of the Company offers himself for re-appointment .

#### **Resignation of Director:**

- i) During the year under review Mr. Kapil Berera (DIN: 00080085), Director of the Company had resigned from the office of Director of the Company with effect from 1<sup>st</sup> January, 2019 due to pre-occupancy. The Board places on record its appreciation for the efforts and guidance provided by him during his tenure as Director.

#### **Directors liable to retire by rotation:**

Mrs. Sangeeta Garg (DIN: 01117956), retires by rotation at the ensuing Annual General Meeting (AGM) and being eligible, offer herself for re-appointment. Necessary details for re-appointment as required under the Companies Act, 2013 and the SEBI (Listing Obligation and

Disclosure Requirements) Regulations, 2015 (hereinafter to be referred as “Listing Regulations”) is provided in the notice of AGM.

## 10. DECLARATION BY INDEPENDENT DIRECTORS

Pursuant to the provisions of the sub-section (7) of the section 149 of the Companies Act, 2013 and sub-regulation (8) of the Regulation 25 of the Listing Regulations, the Company has received declarations from Mr. Umang Sarkar, Mr. Aashish Ghai, Mr. Kapil Barera<sup>1</sup> and Mr. Feroz Malik<sup>2</sup>, Independent Directors of the Company confirming that they meet the criteria of independence as prescribed under section 149(6) of the Companies Act, 2013 as well as Regulation 25 of the Listing Regulations.

<sup>1</sup>Mr. Kapil Barera resigned from the Board of the Company with effect from 1<sup>st</sup> January, 2019.

<sup>2</sup>Mr. Feroz Malik was duly appointed as an Additional Non- Executive Independent Director by the Board through resolution by circulation passed on 4<sup>th</sup> January, 2019

## 11. NUMBERS OF BOARD MEETINGS HELD DURING THE FINANCIAL YEAR 2018-19

During the year, Nine (9) meetings of Board of Directors were held, the details of which are as follows:

Number of Board Meeting	Date of Board Meeting
01/2018-19	09.04.2018
02/2018-19	29.05.2018
03/2018-19	03.08.2018
04/2018-19	29.08.2018
05/2018-19	14.11.2018
06/2018-19	20.12.2018
07/2018-19	24.12.2018
08/2018-19	14.02.2019
09/2018-19	21.02.2019

**Note:** The maximum interval between any two meetings did not exceed 120 days (as prescribed in the Companies Act, 2013 read with the Secretarial Standard – 1 issued by the Institute of Company Secretaries of India).

## 12. COMMITTEES MEETING

The details pertaining to composition of committees and its meetings are provided in the Corporate Governance Report which forms a part of this report.

## 13. DIRECTOR'S RESPONSIBILITY STATEMENT

The Company has taken the utmost care in its operations, compliance, transparency, financial disclosures and the financial statements have been made to give a true and fair view of the state of affairs of the Company. Pursuant to the provisions of Section 134(5) of the Companies Act,



2013 and based upon the detailed representation, due diligence and inquiry thereof the Directors hereby confirm that:

- a) in the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures;
- b) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- c) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) they have prepared the annual accounts on a going concern basis; and
- e) they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively;
- f) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

#### **14. RISK MANAGEMENT POLICY**

The Company has adopted a Risk Management Policy in accordance with the provisions of the Act and Regulation 17(9) of the Listing Regulations and has constituted a Risk Management Committee comprising of senior executives.

The Risk Management Committee reports to the Audit Committee as well as the Board of Directors about risk assessment and management procedures and status from time to time. The Committee had taken adequate measure in its implementation by identifying various element of risk which may cause serious threat to the existence of the Company.

#### **15. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

The Company has an independent Internal Control System, commensurate with the size, scale and complexity of its operations. The Audit Committee of the Company has been delegated power to review the internal control systems and its adequacy.

The Audit Committee monitors and evaluates the efficiency and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company and its branches.

The internal financial controls of the Company are commensurate with its size, scale and complexity of operations. The internal financial controls with reference to the financial statements were adequate and operating effectively.

## **16. VIGIL MECHANISM**

In terms of the Section 177(9) read with other relevant provisions of the Companies Act 2013 and Regulation 22 of the Listing Regulations, the Company had established a Vigil Mechanism for the directors and employees to report any genuine concerns or apprehensions about the conduct of the business, its accounting methods or any other aspects related thereto and such mechanism shall provide adequate safeguards against victimization of persons who use such mechanism and made provision for direct access to the chairperson of the Audit Committee in appropriate or exceptional cases.

The Company has strengthened its processes in view of the matters reported from time to time. The Company endeavors to further enhance the control environment and has already initiated the process to identify and implement the control requirements.

## **17. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES**

During the financial year under review, the Company has not entered into any related party transaction as defined in the Listing Regulations and Section 188 of the Companies Act, 2013 and rules made thereunder.

## **18. EXTRACT OF ANNUAL RETURN**

The extract of annual return as provided under section 92(3) of the Companies Act, 2013, in the prescribed form MGT-9 is annexed to this Report as **Annexure I** and is also hosted on the Company's website [www.genesisfinance.net](http://www.genesisfinance.net).

## **19. FRAUDS REPORTED BY AUDITORS**

During the year under review, no instances of frauds have been reported by the Statutory Auditor and Secretarial Auditor to the Audit Committee under Section 143(12) of the Companies Act, 2013, during the course of performance of their duties as auditor.

## **20. NOMINATION AND REMUNERATION POLICY**

The Board has on the recommendation of the Nomination and Remuneration Committee framed a policy for determining selection, appointment of Directors, Key Managerial Personnel, their Independence and remuneration.

## **21. STATUTORY AUDITORS**

During the year under review **M/s G. Singh & Co., Chartered Accountants** (Firm Registration No. 0512589C) has resigned from the position of Statutory Auditor of the Company with effect from 5<sup>th</sup> March, 2019 and Board appointed **M/s M.C. Jain & Co., Chartered Accountants** (Firm Registration No. 304012E) as the Statutory Auditor of the Company subject to the approval of shareholders in Extra-General meeting duly held and convened on Tuesday, 30<sup>th</sup> April, 2019 to fill the casual vacancy caused due to the resignation of G. Singh & Co., Chartered Accountants

and to examine and audit the accounts of the Company for the Financial Year ended on 31<sup>st</sup> March, 2019.

M.C. Jain & Co., Chartered Accountants (Firm Registration No. 304012E), Statutory Auditors of the Company, hold office, in accordance with the provisions of the Companies Act 2013, and being eligible, offer themselves for re-appointment as Statutory Auditors.

M.C. Jain & Co., Chartered Accountants (Firm Registration No. 304012E) has audited the financial statements of the Company for the year ended on 31<sup>st</sup> March, 2019. The Report of the Statutory Auditor is annexed and forms part of this report.

The observations made by Statutory Auditors in their Auditors Report on the Audited Financial Statement of the Company for the year ended 31<sup>st</sup> March, 2018 are self-explanatory and therefore, do not call for any further explanation or comments under section 134(3)(f) of the Companies Act, 2013.

## **22. SECRETARIAL AUDITOR**

Pursuant to provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company had appointed **A. Upadhyaya & Associates, Company Secretaries**, to undertake the Secretarial Audit of the Company. The Report of the Secretarial Auditor in prescribed format in MR-3 is annexed to this report as **Annexure II**. The report does not contain any qualification, reservations but there is an observation in his report i.e.:

*Penalty has been imposed by the Stock Exchange (MSE) under regulation 17(1) of the Listing Regulation and same has been paid by the Company.*

In addition to the above and pursuant to SEBI circular dated 8<sup>th</sup> February, 2019, a report on secretarial compliance by Abhimanyu Upadhyaya for the Financial Year 2018-19 has been submitted with Stock Exchanges.

## **23. COMPLIANCE WITH SECRETARIAL STANDARDS**

The Company has complied with the applicable provisions of the Secretarial Standards issued by the Institute of Company Secretaries of India.

## **24. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186**

The Company being a Non-Banking Financial Company, registered with Reserve Bank of India, provisions of Section 186 [except sub section 186(1)] of the Companies Act, 2013 are not applicable on the Company. The Company has complied with section 186(1) of the Act in relation to investments made by the Company.

## **25. PARTICULARS REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

There are no significant particulars relating to Conservation of Energy, technology absorption under Rule 8(3) of Companies (Accounts) Rules, 2014 since your Company is not engaged in any manufacturing activity. No agreement has been entered into for Technology absorption. However, the Company has made intensive use of technology in its operation during the year under review.

During the year under review, the Company did not have any foreign exchange earnings and, the foreign exchange outgo.

## **26. CORPORATE SOCIAL RESPONSIBILITY**

The provisions of section 135(1) of the Companies Act, 2013 is not applicable on the Company. Therefore, Company is required to make disclosure as per Rule 9 of the Companies (Corporate Social Responsibility Policy) Rules, 2014.

## **27. SUBSIDIARY, JOINT VENTURES AND ASSOCIATE COMPANIES**

The Company does not have any subsidiaries or joint ventures or associate companies as defined under Companies Act, 2013.

## **28. ANNUAL EVALUATION OF BOARD PERFORMANCE AND PERFORMANCE OF ITS COMMITTEES AND OF INDIVIDUAL DIRECTORS**

Pursuant to provisions of Section 149 of the Companies Act, 2013 read with Schedule IV of the Companies Act, 2013 and the Listing Regulations, the Board in consultation with its Nomination and Remuneration Committee has formulated a framework and criteria to evaluate the performance of the entire Board of the Company, its Committee and individual Directors including Independent Directors.

The Nomination and Remuneration Committee has carried out the evaluation of every Director's performance (including Independent Director).

The Independent Directors has met separately without the presence of any Non-Independent Director and member of management to discuss the performance of Non-Independent Directors and the Board as a whole.

## **29. DEPOSITS**

The Company is a non-deposit taking non-banking financial Company. It has neither invited nor accepted any deposits from the public or its employees during the year under review. Also, the provisions of Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014 are not applicable on non-banking financial company as defined in the Reserve Bank of India Act, 1934 (2 of 1934).

## **30. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS**

There are no significant or material orders passed by the Regulators / Courts which would impact the going concern status of the Company and its future operations.

### **31. PREVENTION OF SEXUAL HARASSMENT OF WOMEN AT THE WORKPLACE**

The Company has zero tolerance towards sexual harassment at workplace and has adopted a 'Policy for Prevention of Sexual Harassment' to prohibit, prevent or deter any acts of sexual harassment at workplace and to provide the procedure for the redressal of complaints pertaining to sexual harassment, thereby providing a safe and healthy work environment, in line with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act 2013 and the rules thereunder.

The Company has constituted an Internal Complaints Committee (ICC) to consider and address sexual harassment complaints in accordance with Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

### **32. MAINTENANCE OF COST RECORDS**

The provisions of Section 148 of the Companies Act, 2013 read with Companies (Cost Records and Audit) Rules, 2014 are applicable on the Company. Therefore, Company is not required to maintain cost records.

### **33. PARTICULARS OF EMPLOYEES AND REMUNERATION**

The information required under Section 197 (12) of the Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is annexed as **Annexure III** forming part of the Report.

### **34. CORPORATE GOVERNANCE REPORT**

As required under Regulation 34(3) of the Listing Regulations read with Schedule V thereto, the report on Corporate Governance together with the Auditor's certificate on compliance in this regard and Managing Director's declaration regarding compliance of Code of Conduct by Board Members and Senior Management Personnel is attached and forms part of this Report as **Annexure IV**.

### **35. MANAGEMENT DISCUSSION & ANALYSIS**

Pursuant to Schedule V of Listing Regulations, Management Discussion and Analysis Report is annexed with this Report as **Annexure V**.

### **36. ACKNOWLEDGEMENT**

Your Directors would like to express its sincere appreciation for the support and co-operation from its members, Banks, Financial Institutions, Government Authorities, Business Associates, Vendors, Stakeholders, Registrar and Share Transfer Agent and other Business Affiliates.

The Board of Directors also places on record its sincere appreciation towards the Company's valued customers for the support and confidence reposed by them in the organization and the

Management and the employees of the Company for the commitment and hard work put in by them and thanks them for yet another excellent year.

**For and on behalf of  
Genesis Finance Company Limited**

**Sd/-  
Naresh Garg  
(Managing Director)  
DIN: 00916814  
Address: B-24, GF, Geetanjali Enclave,  
New Delhi- 110074**

**Sd/-  
Sangeeta Garg  
(Whole Time Director)  
DIN: 01117956  
Address: B-24, GF, Geetanjali Enclave  
New Delhi- 110074**

**Date: 30.05.2019  
Place: New Delhi**

# ANNEXURE I

## Form No. MGT – 9

### EXTRACT OF ANNUAL RETURN As on the financial year ended on 31<sup>st</sup> March, 2019

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies  
(Management and Administration) Rules, 2014]

#### I. REGISTRATION AND OTHER DETAILS:

S. No.	Particulars	Details
1.	CIN	L65910DL1990PLC040705
2.	Registration Date	03/07/1990
3.	Name of the Company	GENESIS FINANCE COMPANY LIMITED
4.	Category / Sub Category of the Company	Company Limited by Shares/ Non-govt. company
5.	Address of the Registered office and contact details	4 MMTC/STC Market, Geetanjali, New Delhi – 110017 Tel: - No: 011-26691132 <a href="mailto:gopalbishtgfcl@gmail.com">E-Mail ID – gopalbishtgfcl@gmail.com</a>
6.	Whether listed company (Yes/No)	Yes
7.	Name, Address and Contact details of Registrar and transfer Agent, if any	Skyline Financial Services Pvt. Ltd. D 153 A, Okhla Industrial Area Phase-I New Delhi – 110020 Ph No: 011-26812682

#### 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.	Other Credit granting	64920	100.00%

#### III. 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.	NIL				

#### IV. 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				No. of Shares held at the end of the year				% Change during The year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoter</b>									
<b>1) Indian</b>									
a) Individual/ HUF	1,89,39,672	52,000	1,89,91,672	43.38	1,89,91,672	NIL	1,89,91,672	40.93	(2.45)
b) Central Govt	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
c) State Govt(s)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
d) Bodies Corp	65,10,880	15,71,424	80,82,304	18.46	96,53,728	NIL	96,53,728	20.81	2.35
e) Banks / FI	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
f) Any Other	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
<b>Sub-total(A)(1): -</b>	<b>2,54,50,552</b>	<b>16,23,424</b>	<b>2,70,73,976</b>	<b>61.84</b>	<b>2,86,45,400</b>	<b>NIL</b>	<b>2,86,45,400</b>	<b>61.74</b>	<b>(0.1)</b>
<b>2) Foreign</b>									
g) NRIs-Individuals	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
h) Other-Individuals	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
i) Bodies Corp.	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
j) Banks / FI	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
k) Any Other....	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
<b>Sub-total(A)(2):</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>
<b>Total shareholding of Promoter (A1) + (A2)</b>	<b>2,54,50,552</b>	<b>16,23,424</b>	<b>2,70,73,976</b>	<b>61.84</b>	<b>2,86,45,400</b>	<b>NIL</b>	<b>2,86,45,400</b>	<b>61.74</b>	<b>(0.1)</b>



<b>B. Public Shareholding</b>									
<b>1. Institutions</b>	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
a) Mutual Funds	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
b) Banks / FI	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
c) Central Govt	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
d) State Govt(s)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
e) Venture Capital Funds	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
f) Insurance Companies	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
g) FIIs	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
h) Foreign Venture Capital Funds	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
i) Others (specify)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
<b>Sub-total(B)(1)</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>
<b>2. Non Institutions</b>									
a) Bodies Corp.									
(i) Indian	0	24,04,760	24,04,760	5.49	20,71,424	13,80,952	3452376	7.44	1.95
(ii) Overseas									
b) Individuals									
(i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	80	84,070	84,150	0.19	84,070	84,070	84150	0.18	(0.01)
(ii) Individual shareholders holding nominal share capital in	15,60,000	83,91,484	99,51,484	22.73	93,68,784	48,30,380	1,41,99,164	30.6	7.87

excess of Rs 1 lakh									
<b>c) Others -</b>									
Foreign Shareholders	0	42,63,680	42,63,680	9.74	0	16,000	16,000	0.03	(9.71)
Resident Indian HUF	0	30	30	0	0	30	30	0	0
<b>Sub-total(B)(2)</b>	<b>15,60,000</b>	<b>1,51,44,104</b>	<b>1,67,04,104</b>	<b>38.16</b>	<b>1,14,40,288</b>	<b>63,11,432</b>	<b>1,77,51,720</b>	<b>38.26</b>	<b>(0.1)</b>
<b>Total Public Shareholding (B)=(B)(1) +(B)(2)</b>	<b>15,60,000</b>	<b>1,51,44,104</b>	<b>1,67,04,104</b>	<b>38.16</b>	<b>1,14,40,288</b>	<b>63,11,432</b>	<b>1,77,51,720</b>	<b>38.26</b>	<b>(0.1)</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
<b>Grand Total (A+B+C)</b>	<b>2,70,10,552</b>	<b>1,67,67,528</b>	<b>4,37,78,080</b>	<b>100</b>	<b>4,00,85,688</b>	<b>63,11,432</b>	<b>4,63,97,120</b>	<b>100</b>	<b>0</b>

## ii. Shareholding of Promoters

Sr. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding 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.	Sangeeta Garg	44,80,560	10.23	0	44,80,560	9.66	0	(0.57)

2.	Bhagwati Devi	45,06,880	10.29	0	45,06,880	9.71	0	(0.58)
3.	Naresh Garg	35,48,480	8.11	0	35,48,480	7.65	0	(0.46)
4.	Prateet Garg	35,73,048	8.16	0	35,73,048	7.7	0	(0.46)
5.	Sahil Garg	28,30,704	6.47	0	28,30,704	6.1	0	(0.37)
6.	Kapil Berera	52,000	0.12	0	52,000	0.11	0	(0.01)
7.	Genesis Dream Merchants Private Limited	62,82,304	14.35	0	78,53,728	16.93	0	2.58
8.	Genesis Holdings Private Limited	10,00,000	2.28	0	10,00,000	2.16	0	(0.12)
9.	Sopan Real Estate Private Limited	8,00,000	1.83	0	8,00,000	1.72	0	0.11
	<b>Total</b>	<b>2,70,73,976</b>	<b>61.84</b>	<b>0</b>	<b>2,86,45,400</b>	<b>61.74</b>	<b>0</b>	

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

During the Financial Year 2018-19, there is no change in the promoter's shareholding as compared to the Financial Year 2017-18

**iv. Shareholding of top ten shareholders (other than Directors, promoters and holders of GDRs and ADRs)**

Sr. no	Name of the Shareholder	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
<b>1.</b>	<b>Shashi Bala Garg</b>				
	At the beginning of the year	0	0	-	-
	Changes during the year:				
	1. 3 <sup>rd</sup> December, 2018 <sup>1</sup>	+42,47,680	9.16	42,47,680	9.16
	At the end of the year	-	-	42,47,680	9.16
<b>2.</b>	<b>Nirmala Devi</b>				
	At the beginning of the year	27,92,000	6.38	-	-
	Changes during the year	-	-	27,92,000	6.02
	At the end of the year	-	-	27,92,000	6.02
<b>3.</b>	<b>Kaizen Realtors Private Limited</b>				
	At the beginning of the year	17,14,288	3.92	-	-
	Changes during the year:				
	1. 9 <sup>th</sup> April, 2018 <sup>2</sup>	+3,57,136	0.54	20,71,424	4.46
	At the end of the year	-	-	20,71,424	4.46
<b>4.</b>	<b>Vinod Kumar</b>				
	At the beginning of the year	15,23,200	3.48	-	-
	Changes during the year:	-	-	15,28,000	3.29
	At the end of the year	-	-	15,28,000	3.29
<b>5.</b>	<b>Vinod Tayal</b>				
	At the beginning of the year	14,04,784	3.21	-	-
	Changes during the year:	-	-	14,04,784	3.03
	At the end of the year	-	-	14,04,784	3.03
<b>6.</b>	<b>Expo Thermocontrols Private Limited</b>				
	At the beginning of the year	6,90,472	1.58	-	-
	Changes during the year:				
	2. 9 <sup>th</sup> April, 2018 <sup>2</sup>	+6,90,472	1.4	13,80,952	2.98
	At the end of the year	-	-	13,80,952	2.98
<b>7.</b>	<b>Manju Kapoor</b>				
	At the beginning of the year	11,60,000	2.64	-	-
	Changes during the year:	-	-	11,60,000	2.5
	At the end of the year	-	-	11,60,000	2.5
<b>8.</b>	<b>Sharan Tayal</b>				
	At the beginning of the year	9,85,600	2.25	-	-
	Changes during the year:	-	-	9,85,600	2.12

	At the end of the year	-	-	9,85,600	2.12
<b>9.</b>	<b>Agrah Garg</b>				
	At the beginning of the year	3,29,900	0.75	-	-
	Changes during the year:	-	-	3,29,900	0.71
	At the end of the year	-	-	3,29,900	0.71
<b>10.</b>	<b>Sumer Dutta</b>				
	At the beginning of the year	2,68,000	0.61	-	-
	Changes during the year:	-	-	2,68,000	0.58
	At the end of the year	-	-	2,68,000	0.58

<sup>1</sup>During the year, Mr. Vikas Garg holder of 42,47,680 equity shares of Rs. 10/- transferred his entire holding by way of gift to Mrs. Shashi Bala Garg on 3<sup>rd</sup> December, 2018

<sup>2</sup>During the Financial Year 2018-19, the Company had issued 3,27,380 Equity Shares of Rs. 10/- each at a premium of Rs. 270/- per share against conversion of 3,27,380 compulsory convertible debentures and has issued 22,91,660 Equity Shares of Rs. 10/- as bonus shares to the shareholders against convertible debentures.

#### v. Shareholding of Directors and Key managerial Personnel

Sr. no	Name of the Shareholder	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
<b>1.</b>	<b>Naresh Garg</b>				
	At the beginning of the year	35,48,480	8.11	-	-
	Changes during the year			35,48,480	8.11
	At the end of the year	-	-	35,48,480	8.11
<b>2.</b>	<b>Sangeeta Garg</b>				
	At the beginning of the year	44,80,560	10.23	-	-
	Changes during the year	-	-	44,80,560	10.23
	At the end of the year	-	-	44,80,560	10.23

## V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(In INR)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	27,07,13,428.86	15,10,08,883	NIL	42,17,22,311.86
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not				
<b>Total(i+ii+iii)</b>	<b>27,07,13,428.86</b>	<b>15,10,08,883</b>	<b>NIL</b>	<b>42,17,22,311.86</b>
Change in Indebtedness during the financial year				
i) Addition	28,86,89,240.6	1,60,49,021.00		30,47,38,262.00
ii) Reduction	26,49,10,076.9	9,16,66,120.00	NIL	35,65,76,197.00
Net Change	<b>2,37,79,163.76</b>	<b>(7,56,17,099.00)</b>	<b>NIL</b>	<b>(5,18,37,935.24)</b>
Indebtedness at the end of the financial year				
i) Principal Amount	29,44,92,592.62	7,53,91,784.00		36,98,84,376.62
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>	<b>29,44,92,592.62</b>	<b>7,53,91,784.00</b>	<b>NIL</b>	<b>36,98,84,376.62</b>

## VI. Remuneration of directors and Key Managerial Personnel

### A. Remuneration to Managing Director, Whole Time Directors and/or Manager

(In INR)

Sl. No.	Particulars of Remuneration	Name of MD/WTD/manager			Total amount
		Naresh Garg	Sangeeta Garg	Gopal Bisht (CFO and WTD)	
1	<b>Gross salary</b>				
	<ul style="list-style-type: none"> <li>Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961</li> <li>Value of perquisites u/s 17(2) Income-tax Act, 1961</li> <li>Profits in lieu of salary</li> </ul>	42,00,000	30,00,000	4,50,000	<b>79,50,000</b>
		0	0	0	<b>0</b>

	<i>under section 17(3) Income-tax Act, 1961</i>				
2	<b>Stock Option</b>	0	0	0	<b>0</b>
3	<b>Sweat Equity</b>	0	0	0	<b>0</b>
4	<b>Commission</b> <ul style="list-style-type: none"> <li>• As % of profit</li> <li>• Others, specify</li> </ul>	0	0	0	<b>0</b>
5	<b>Others, please specify</b>	0	0	0	<b>0</b>
	<b>Total (A)</b>	<b>42,00,000</b>	<b>30,00,000</b>	<b>4,50,000</b>	<b>79,50,000</b>
	<b>Ceiling as per the Act</b>	N/A	N/A	N/A	N/A

**B. Remuneration to Other Directors**

(In INR)

<b>Sl. No.</b>	<b>Particulars of Remuneration</b>	<b>Name of Directors</b>	<b>Total amount</b>
1.	<b>Independent Directors</b> <ul style="list-style-type: none"> <li>• Fee for attending board committee meetings</li> <li>• Commission</li> <li>• Others, please specify</li> </ul>	N/A	N/A
	<b>Total (1)</b>	N/A	N/A
2.	<b>Other Non-Executive Directors</b> <ul style="list-style-type: none"> <li>• Fee for attending board committee meetings</li> <li>• Commission</li> <li>• Others, please specify</li> </ul>	N/A	N/A
	<b>Total (2)</b>	N/A	N/A
	<b>Total (B) = (1+2)</b>	N/A	N/A
	<b>Total Managerial remuneration</b>	N/A	N/A
	<b>Overall ceiling as per the Act</b>	N/A	N/A

**C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD**

(In INR)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1.	<b>Gross salary</b> <ul style="list-style-type: none"> <li>• Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961</li> <li>• Value of perquisites u/s 17(2) Income-tax Act, 1961</li> <li>• Profits in lieu of salary under section 17(3) Income-tax Act, 1961</li> </ul>	N/A	2,04,000	N/A	NA
2.	<b>Stock Option</b>	NIL	NIL	NIL	NIL
3.	<b>Sweat Equity</b>	NIL	NIL	NIL	NIL
4.	<b>Commission As % of profit Others, specify</b>	NIL	NIL	NIL	NIL
5.	<b>Others, please specify</b>	NIL	NIL	NIL	NIL
	<b>Total</b>	<b>NIL</b>	<b>2,04,000</b>	<b>NIL</b>	<b>NIL</b>



## 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)
<b>Company</b>					
Penalty	NA	NA	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
<b>Directors</b>					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
<b>Other officers in default</b>					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL

**Note:** Penalty of Rs. 23,600/- (Rupees Twenty Three Thousand Six Hundred only) was imposed by the Metropolitan Stock Exchange of India (MSEI) on the Company on 2<sup>nd</sup> May, 2019 for non-compliance of Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015. The said penalty was levied for the non-compliance existent for 4 days in the quarter January- March 2019. Further, the said non-compliance was made good by the Company and the composition of the Board of Director was made in compliance with Regulation 17 on 4<sup>th</sup> January, 2019 and the penal amount imposed by the MSEI has paid by the Company on 18<sup>th</sup> May, 2019.

For and on behalf of  
**Genesis Finance Company Limited**

Sd/-  
**Naresh Garg**  
**Managing Director**  
**DIN: 00916814**  
**Address: B-24 Ground Floor, Geetanjali Enclave,**  
**New Delhi - 110017**

Sd/-  
**Sangeeta Garg**  
**Whole Time Director**  
**DIN: 01117956**  
**Address: B-24, GF, Geetanjali Enclave ,**  
**New Delhi- 110074**

**Date:** 30.05.2019  
**Place:** New Delhi

**Form No. MR-3****SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED ON 31<sup>ST</sup> MARCH 2019**

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

**TO,  
THE MEMBERS  
GENESIS FINANCE COMPANY LIMITED  
4, MMTC/STC MARKET, GEETANJALI,  
NEW DELHI-110 017**

I, have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. Genesis Finance Company Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the 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 our opinion, the Company has, during the audit period ended on 31<sup>st</sup> March 2019 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:

1. I have examined the books, papers, minute books, forms and returns filed and other records maintained by M/s. Genesis Finance Company Limited ("**The Company**") for the period ended on 31<sup>st</sup> March 2019 to the extent applicable to the Company according to the provisions of:
  - I. The Companies Act, 2013 (**the Act**) and the Rules made there under.
  - II. The Securities Contracts (Regulation) Act, 1956 ('**SCRA**') and the Rules made thereunder;
  - III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
  - IV. Foreign Exchange Management Act, 1999 and the rules and regulations made there under.
  - 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 (Issue of Capital and Disclosure Requirements) Regulations, 2018
    - (b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 including the provisions with regard to disclosures and maintenance of records required under the said Regulations;
    - (c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
    - (d) 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.
    - (e) The Securities and Exchange Board of India (Share Based employee Benefits) Regulations, 2014;

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

- i) The company has entered into listing agreement with the Metropolitan Stock Exchange of India Limited on 17<sup>th</sup> September 2018. During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, Listing Agreements etc mentioned above.

**2. I further report that the Company has, in my opinion, complied with the provisions of the Companies Act, 2013 and the Rules made under that Act and the provisions of Companies Act, 2013 as notified by Ministry of Corporate Affairs and the Memorandum and Articles of Association of the Company, with regard to:**

- a) Maintenance of various statutory registers and documents and making necessary entries therein;
- b) Closure of the Register of Members.
- c) Forms, returns, documents and resolutions required to be filed with the Registrar of Companies and the Central Government;
- d) Service of documents by the Company on its Members, Auditors and the Registrar of Companies;
- e) Notice of Board meetings and Committee meetings of Directors;
- f) The meetings of Directors and Committees of Directors.
- g) The 28th Annual General Meeting held on 29th September 2018 at 11.00 A.M at 4 MMTC/STC Market, Geetanjali New Delhi-110017,
- h) Minutes of proceedings of General Meetings and of the Board and its Committee Meetings;
- i) Approvals of the Members, the Board of Directors, the Committees of Directors and the government authorities, wherever required;
- j) Constitution of the Board of Directors / Committee(s) of Directors, appointment, Retirement and reappointment of Directors including the Managing Director, Whole-time Directors, and Chief Financial Officer (CFO) and company secretary (KMPs).
- k) Payment of remuneration to Directors including the Managing Director and Whole-time Directors,
- l) Appointment and remuneration of Auditors.
- m) Declaration and payment of dividends; **(NA)**
- n) Transfer of amounts as not required under the Act to the Investor Education and Protection Fund and uploading of details of unpaid and unclaimed dividends on the Websites of the Company and the Ministry of Corporate Affairs; **(NA)**
- o) Borrowings and registration, modification and satisfaction of charges wherever applicable;
- q) Investment of the Company's funds including investments and loans to others;
- r) Form of balance sheet as prescribed under Part I, form of statement of profit and loss as prescribed under Part II and General Instructions for preparation of the same as Prescribed in Schedule VI to the Act;
- s) Directors' report;
- t) Contracts, registered office and publication of name of the Company; and
- u) Generally, all other applicable provisions of the Act and the Rules made under the Act.
- v) The Company is registered as Non-Banking Financial Company (NBFC) under Section 45-IA of the RBI Act, 1934, and complied with all provision of RBI Act 1934 and filed the return with RBI from time to time.
- w) Secretarial Standards with respect to Meeting of Board of Directors (SS-1) and General Meeting (SS-2) issued by the Institute of Company Secretaries of India.

- x) the management has identified and confirmed that the following law applicable to the Company: Taxation Laws– Income Tax Act, 1961; Goods & Service Act 2017.

### **3. 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 on the date of reporting under review were carried out in compliance with the provisions of the Act.

\_ Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a 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 decision is 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 and penalty initiated under SEBI Act, SCRA, Depositories Act against / on the Company, its Directors and Officers.

Further Penalty Imposed under Regulation 17(1) by Stock Exchange and paid by the Company during the year under review.

\_ The Directors have complied with the disclosure requirements in respect of their eligibility of appointment, their being independent and compliance with the Code of Business Conduct & Ethics for Directors and Management Personnel;

-As per the records, the Company generally filed all the forms, returns, documents and resolutions as were required to be filed with the Registrar of Companies ('ROC') within the stipulated time. Further, the company is recommended to take utmost care while filling & filing the forms with MCA.

4. I further report that the Company has complied with the provisions of the Depositories Act, 1996 and the Byelaws framed thereunder by the Depositories with regard to Dematerialization / rematerialisation of securities and reconciliation of records of Dematerialized securities with all securities issued by the Company.

### **5. I further report that:**

- a. The Company has complied with the requirements under the Equity Listing Agreements entered into with The Metropolitan Stock Exchange of India Limited.
- b. The Company has complied with the provisions of the Securities and Exchange Board of India(Substantial Acquisition of Shares and Takeovers) Regulations, 2011 including the provisions with regard to disclosures and maintenance of records required under the said Regulations;

- c. The Company has complied with the provisions of the Securities and exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 including the provisions with regard to disclosures and maintenance of records required under the said Regulations.

**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 audit period there were instances of:

- (i) Issue of Equity Shares Pursuant to Conversion of Compulsory Convertible Debentures of 3,27,380 (Three Lakh Twenty Seven Thousand Three Hundred and Eighty) Equity shares of INR 10/- each
- (ii) Issue and allotment of 22, 91,660 Equity Shares of INR. 10/- each as Bonus Shares pursuant to conversion of CCDs.

**No specific non compliances / observations / audit qualification, reservation or adverse remarks were observed.**

**Place: New Delhi  
Date: 30.05.2019**

**A.UPADHYAYA & ASSOCIATES  
Company Secretaries**

**Sd/-  
Prop.  
Abhimanyu Upadhyaya  
M.No: 5921  
COP. No: 4729**

## ANNEXURE-I

**TO,  
THE MEMBERS  
GENESIS FINANCE COMPANY LIMITED  
4, MMTC/STC MARKET, GEETANJALI,  
NEW DELHI-110 017**

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. 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 the basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on random test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For A Upadhyaya & Associates**  
Company Secretaries

**Place:** New Delhi  
**Date :** 30.05.2019

Sd/-  
**CS Abhimanyu Upadhyaya**  
(Prop.)  
FCS: 5921;  
C.P.No.:4729

## ANNEXURE III

### PARTICULARS OF EMPLOYEES AND REMUNERATION

[Pursuant to Section 197 of Companies Act, 2013 read with Rule 5(1) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

#### 1. Ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2018-2019:

S. No.	Name(s) of Director(s)	Designation	Ratio to Median Remuneration
1.	Mr. Naresh Garg	Managing Director	7:1
2.	Mrs. Sangeeta Garg	Whole-Time Director	5:1
3.	Mr. Gopal Bisht	Whole-Time Director and Chief Financial Officer	0.75:1
4.	Mr. Umang Sarkar	Independent Director	NA
5.	Mr. Ashish Ghai	Independent Director	NA
6.	Mr. Kapil Berera <sup>1</sup>	Independent Director	NA
7.	Mr. Feroz Malik <sup>2</sup>	Additional Independent Director (w.e.f 4 <sup>th</sup> January, 2019)	NA

<sup>1</sup>Mr. Kapil Berera resigned from the Board of the Company with effect from 1<sup>st</sup> January, 2019.

<sup>2</sup>Mr. Feroz Malik was duly appointed as an Additional Non- Executive Independent Director by the Board through resolution by circulation passed on 4<sup>th</sup> January, 2019

#### 2. Percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year 2018-2019:

S. No.	Name	Designation	Percentage Increase (%)
1.	Mr. Naresh Garg	Managing Director	Nil
2.	Mrs. Sangeeta Garg	Whole-Time Director	Nil
3.	Mr. Gopal Bisht	Whole-Time Director and Chief Financial Officer	14.28
4.	Mr. Umang Sarkar	Independent Director	Nil

5.	Mr. Ashish Ghai	Independent Director	Nil
6.	Mr. Kapil Berera <sup>1</sup>	Independent Director	Nil
7.	Mr. Feroz Malik <sup>2</sup>	Additional Independent Director	Nil

<sup>1</sup>Mr. Kapil Berera resigned from the Board of the Company with effect from 1<sup>st</sup> January, 2019.

<sup>2</sup>Mr. Feroz Malik was duly appointed as an Additional Non- Executive Independent Director by the Board through resolution by circulation passed on 4<sup>th</sup> January, 2019

**3. Percentage increase in the median remuneration of employees in the financial year:**

S. No.	Particulars	Percentage Increase (%)
1.	Percentage increase in the median remuneration of employees in the financial year:	20

**4. Number of permanent employees on the rolls of the Company:**

As on 31<sup>st</sup> March, 2019, there are 15 (fifteen) permanent employees on the rolls of the Company.

**5. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year:**

Average percentile increase in the salary in **FY 2018-19**: 22.34%

**6. Affirmation:**

The Board of Directors of the Company hereby affirms that the remuneration paid to all Directors, Key Managerial Personnel and employees of the Company is in accordance with the remuneration policy of the company.



**Pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**

**Details of top 10 employees in terms of remuneration drawn for the Financial Year 2018-19**

S. No.	Name of Employee	Designation	Remuneration Received	Nature of Employment (contractual or otherwise)	Qualifications and experience	Date of commencement of employment	Age of employee	Last employment held before joining the Company	% age Equity shares held by the employee	Whether relative of any director or manager? If yes, then name of such Director or Manager
1	Naresh Garg	Managing Director	42,00,000	Permanent Employee	M.Com	01/07/1994	58	N/A	35,48,480	Yes, Spouse of Sangeeta Garg
2	Sangeeta Garg	Whole Time Director	30,00,000	Permanent Employee	Graduate	01/11/1997	51	N/A	44,80,560	Yes, Spouse of Naresh Garg
3	Ashudeep Singh Suri	Manager-Finance and Mortgage	18,00,000	Permanent Employee	Graduate	01/08/2017	28	N/A	-	-
4	Vinod Tayal	Vice President	9,36,000	Permanent Employee	Graduate	01/08/2011	49	N/A	14,04,784	-
5	Rahul Agarwal	Collection	7,20,000	Permanent Employee	Graduate	01/04/2014	39	N/A	-	-
6	Sharan	Head	7,14,000	Permanent	Graduate	01/11/1996	48	N/A	9,85,600	-

	Tayal	operation		Employee						
<b>7</b>	Priyanka Agarwal	Documentati on	4,80,000	Permanent Employee	Graduate	01/04/2014	39	N/A	-	-
<b>8</b>	Akash Jain	Accounts	4,80,000	Permanent Employee	Graduate	06/01/2012	28	N/A	-	-
<b>9</b>	Gopal Bisht	Whole Time Director	4,50,000	Permanent Employee	Graduate	01/12/1995	48	N/A	-	-
<b>10</b>	Disha Jain	Legal Consultant	3,60,000	Permanent Employee	LLB	01/09/2016	29	N/A	-	-

**7. Details of employees who:**

- a. Are employed throughout Financial Year and were in receipt of remuneration not less than INR One Crore and Two Lakh**

Not Applicable

- b. Are employed for part of Financial Year and were in receipt of remuneration for any part of the year, at a rate which, in aggregate, was not less than INR Eight Lakhs and Fifty Thousand per month.**

Not Applicable

- c. Are employed throughout the financial year or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the company.**

The Company does not have any employees who is drawing remuneration in excess of limit prescribed under section 197(12) of the Companies Act, 2013 read with rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

For and on behalf of

**Genesis Finance Company Limited**

Sd/-

**Naresh Garg  
(Managing Director)**

**DIN:** 00916814

**Address:** B-24 Ground Floor, Geetanjali Enclave,  
New Delhi - 110017

Sd/-

**Sangeeta Garg  
(Whole Time Director)**

**DIN:** 01117956

**Address:** B-24 Ground Floor, Geetanjali Enclave,  
New Delhi - 110017

**Date:** 30.05.2019

**Place:** New Delhi

## ***ANNEXURE IV***

### **CORPORATE GOVERNANCE REPORT**

The Company seeks to adopt good Corporate Governance practices and to ensure compliance with all relevant laws and regulations. The Company conducts its activities in a manner that is fair and transparent and also perceived to be such by others. The Company has complied with the statutory and regulatory requirements in accordance with the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter considered as “Listing Regulations”).

The aim of “Good Corporate Governance” is to manage affairs of the Company in a transparent manner in order to maximize long-term value of the Company for the benefit of its shareholders and all other stakeholders.

#### **Kotak committee on Corporate Governance**

With the primary objective of improving standards concerning corporate governance of Listed Companies in India, Securities Exchange Board of India (SEBI) had constituted Kotak committee on 2<sup>nd</sup> June, 2017 under the chairmanship of Mr. Uday Kotak. The committee submitted its report on Corporate Governance to SEBI on 5<sup>th</sup> October, 2017 and recommended major overhaul of corporate governance norms for Listed Companies. In view of the same, SEBI amended the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the ‘Listing Regulations’). Some of the amendments became applicable from 1<sup>st</sup> October, 2018 and many from 1<sup>st</sup> April, 2019. The Company is in compliance with all the provisions.

#### **1. COMPANY’S PHILOSOPHY ON CORPORATE GOVERNANCE**

Corporate Governance is a set of systems, processes and principles which ensure that a Company is governed in the best interest of all stakeholders. It is about promoting fairness, equity, transparency, accountability and respect for laws. It provides a structure that works for the benefit of everyone concerned, by ensuring that the Company adheres to ethical standards, laws and accepts best practices. The Company believes that good Corporate Governance practices enable a Company to attract financial, human capital and leverage, these resources to maximize long-term shareholder value, while preserving the interests of multiple stakeholders, including society at large.

To achieve excellence in Corporate Governance, the Company follows the principles of transparency, accountability and integrity in functioning, so as to constantly enhance value for all stakeholders and fulfill the social obligation entrusted upon the corporate sector. The Company always strives towards articulating good code of ethics and governance principles thereby perpetuating it into generating long term economic value.

***Your Company has complied with the requirements of the Corporate Governance Code, the disclosures of which are given below:***

## **2. BOARD OF DIRECTORS**

### **A. Composition**

According to regulation 17(1) (b) of Listing Regulations, 2015, the Board of Director shall have an optimum combination of executive and non-executive directors with at least one women director and not less than fifty percent of the Board of Directors shall comprise of non-executive directors.

The Board of Directors of the Company consists of a Managing Director, Two Executive Directors (including one women director) and three Independent Non-Executive Director.

The day to day management of the affairs of the Company is entrusted with the senior management personnel, headed by the Managing Director, who functions under the overall supervision, direction and control of the Board of Directors of the Company. Board meets regularly to discuss, review and decide upon the matters such as policy formulation, setting up of goals, appraisal of performances with the goals and control functions, etc.

The composition of Board of Directors of the Company during the Financial Year 2018-19 is given below:

<b>S. No.</b>	<b>Name of the Director</b>	<b>DIN</b>	<b>Category</b>
1.	Mr. Naresh Garg	00916814	Managing Director
2.	Mrs. Sangeeta Garg	01117956	Whole Time Director
3.	Mr. Gopal Bisht	00597160	Whole Time Director and Chief Financial Officer
4.	Mr. Kapil Berera <sup>1</sup>	00080085	Non-Executive Independent Director
5.	Mr. Umang Sarkar	03172902	Non-Executive Independent Director
6.	Mr. Aashish Ghai	07276636	Non-Executive Independent Director
7.	Mr. Feroz Malik <sup>2</sup>	00262559	Additional Non-Executive Independent Director

<sup>1</sup>Mr. Kapil Berera resigned from the Board of the Company with effect from 1<sup>st</sup> January, 2019.

<sup>2</sup>Mr. Feroz Malik was duly appointed as an Additional Non- Executive Independent Director by the Board through resolution by circulation passed on 4<sup>th</sup> January, 2019

## B. Meetings of the Board and Attendance thereat

The Board holds its meetings at regular intervals to review and discuss the performance of the Company, its future plans, strategies and other pertinent issues relating to the Company.

The Board of Directors of your company met ten times on the dates given in table below during the year under review.

Number of Board Meeting	Date of Board Meeting
01/2018-19	09.04.2018
02/2018-19	29.05.2018
03/2018-19	03.08.2018
04/2018-19	29.08.2018
05/2018-19	14.11.2018
06/2018-19	20.12.2018
07/2018-19	24.12.2018
08/2018-19	14.02.2019
09/2018-19	21.02.2019

The attendance of each directors (during F.Y. 2018-19) thereat is as under:

Sl. No.	Name of the director	Number of board Meetings attended	Whether attended the last AGM
1.	Mr. Naresh Garg	9	Yes
2.	Mrs. Sangeeta Garg	9	Yes
3.	Mr. Gopal Bisht	9	Yes
4.	Mr. Kapil Berera <sup>1</sup>	1	Yes
5.	Mr. Umang Sarkar	2	Yes
6.	Mr. Aashish Ghai	1	Yes
7.	Mr. Feroz Malik <sup>2</sup>	0	N/A

The Board met once in every quarter to review the quarterly financial results and other items of the agenda and if necessary, additional meetings were held as and when required. The gap between two meetings did not exceed One Hundred Twenty (120) Days. As per the provision of Section 173(3) of the Act, atleast one Independent Director was present at the meetings which were conducted at a shorter notice.

<sup>1</sup>Mr. Kapil Berera resigned from the Board of the Company with effect from 1<sup>st</sup> January, 2019.

<sup>2</sup>Mr. Feroz Malik was duly appointed as an Additional Non- Executive Independent Director by the Board through resolution by circulation passed on 4<sup>th</sup> January, 2019

**C. Number of other Board of Directors or Committees in which a Directors is a Member or Chairperson as on 31<sup>st</sup> March, 2019**

<b>Name of the Director</b>	<b>Category</b>	<b>Other Directorships</b>	<b>Committee Membership</b>	<b>Committee Chairmanship</b>
Mr. Naresh Garg	Chairman and Managing Director	<ul style="list-style-type: none"> <li>• Genesis Dream Merchants Private Limited</li> <li>• Genesis Holdings Private Limited</li> </ul>	Nil	Nil
Mr. Feroz Malik	Non-Executive Additional Independent Director	<ul style="list-style-type: none"> <li>• Globus Roaming Services Private Limited</li> </ul>	Nil	Nil
Mrs. Sangeeta Garg	Executive Director, WTD	<ul style="list-style-type: none"> <li>• Genesis Dream Merchants Private Limited</li> </ul>	Nil	Nil
Mr. Gopal Bisht	Executive Director, WTD	<ul style="list-style-type: none"> <li>• Genesis Holdings Private Limited</li> </ul>	Nil	Nil
Mr. Umang Sarkar	Non-Executive Independent Director	<ul style="list-style-type: none"> <li>• Visual Impact Security System Private Limited</li> </ul>	Nil	Nil
Mr. Aashish Ghai	Non-Executive Independent Director	Nil	Nil	Nil

#### **D. Disclosure of Relationships between Directors Inter-Se**

<b>S. No.</b>	<b>Name of the Director</b>	<b>Relationship Inter-se</b>
1.	Mr. Naresh Garg	Husband of Mrs. Sangeeta Garg
2.	Mrs. Sangeeta Garg	Wife of Mr. Naresh Garg
3.	Mr. Gopal Bisht	–
4.	Mr. Kapil Berera <sup>1</sup>	–
5.	Mr. Umang Sarkar	–
6.	Mr. Aashish Ghai	–
7.	Mr. Feroz Malik <sup>2</sup>	–

<sup>1</sup>Mr. Kapil Berera resigned from the Board of the Company with effect from 1<sup>st</sup> January, 2019.

<sup>2</sup>Mr. Feroz Malik was duly appointed as an Additional Non- Executive Independent Director by the Board through resolution by circulation passed on 4<sup>th</sup> January, 2019.

#### **E. Number of Shares and Convertible Instruments held by Non-Executive Directors**

During the year under review, the Non-executive Directors namely Mr. Umang Sarkar, Mr. Aashish Ghai and Mr. Feroz Malik did not hold any security of the Company.

#### **F. Familiarization Programmes imparted to Independent Directors**

Pursuant to Regulation 25(7) of the Listing Regulations read with Regulation 46, the Company shall familiarise the independent directors about the Company, including- their roles, rights, responsibilities in the company, nature of the industry in which the company operates, business model of the company, etc., through various programmes.

The Company conducted the familiarization programme for Independent Director to enhance the leadership skills and motivation and to increase the interaction of the Independent Directors with the Executive directors of the Company.

The web link for the familiarization programmes is as follows:-

<https://www.genesisfinance.net/financial-pdf/Familirazation-programme.pdf>

#### **G. Key Skills, Competence and Expertise of Board Of Directors**

The Board of Directors of the Genesis comprises of qualified members from different areas and has competent skills, expertise to manage the affairs of the Company in effective manner. The Members are committed to ensure good corporate governance at all the levels.

The following are the key qualifications, skills and competence which are taken into consideration while appointing members on the Board.

- Financial Services
- Banking, Investment and Treasury
- Corporate Governance and Ethics



- Economics and Statistics
- Global Business Leadership
- Management, Strategy and Planning
- Law

### 3. INDEPENDENT DIRECTORS

#### A. Confirmation

Pursuant to the Regulation 16(1)(b) of the Listing Regulations read with Section 149(6) of the Companies Act, 2013, in the opinion of the Board, fulfill the conditions specified in the Listing Regulations and are independent of the Management.

#### B. Separate Meeting of Independent Directors

In terms of Regulation 25(3) of the Listing Regulations read with Schedule IV of the Companies Act, 2013, one exclusive meeting of the Independent Directors was held on 30<sup>th</sup> March, 2019, inter-alia to discuss:

- Review the performance of non - Independent Directors and the Board of Directors as a whole;
- Review the performance of the Chairman of the Company, taking into account the views of the Executive and Non – Executive Directors;
- Assess the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

#### C. Attendance of Directors at Independent Director’s Meeting

S. No.	Name of the Directors	No. of meetings entitled to attend	No. of meetings attended
1.	Mr. Umang Sarkar	1	1
2.	Mr. Aashish Ghai	1	1
3.	Mr. Kapil Berera <sup>1</sup>	0	0
4.	Mr. Feroz Malik <sup>2</sup>	1	1

<sup>1</sup>Mr. Kapil Berera resigned from the Board of the Company with effect from 1<sup>st</sup> January, 2019.

<sup>2</sup>Mr. Feroz Malik was duly appointed as an Additional Non- Executive Independent Director by the Board through resolution by circulation passed on 4<sup>th</sup> January, 2019.

#### D. Detailed Reasons for the Resignation of Independent Directors

During the year under review, no Independent Director has resigned from the office before the expiry of his term.

#### **4. AUDIT COMMITTEE**

In terms of Regulation 18 of Listing Regulations and Section 177 (1) of the Companies Act, 2013 and the NBFC Regulations, the Company has constituted the Audit Committee. The Board reviews the working of the committee from time to time to bring about greater effectiveness in order to comply with the various requirement under the Companies Act, 2013, Listing Regulations and the NBFC Regulations.

##### **A. Terms of Reference**

The functioning and terms of reference of the Audit Committee are as prescribed under section 177 of the Companies Act, 2013 and Regulation 18 of Listing Regulations.

Objective: The primary objective of the Committee is to monitor and provide an effective supervision of the management's financial reporting process, to ensure accurate and timely disclosures, with the highest level of transparency, integrity and quality of financial reporting. The Committee oversees the work carried out in the financial reporting process by the management, by Internal Auditors and Statutory Auditors and notes the processes and safeguards employed by each of them. In particular, these include:

##### **Financials**

- Review of the quarterly/half-yearly/nine-month/annual financial statements with reference to changes, if any, in accounting policies and reasons for the same.
- Major accounting entries involving estimates based on exercise of judgment by management, adjustments, if any, arising out of audit findings.
- Compliance with listing and legal requirements relating to financial statements qualifications, if any, in the draft audit report.

##### **Internal controls and risk management**

- Review of internal audit function and discussion on internal audit reports.
- Review of vigil mechanism.
- Review of adequacy of internal control systems.
- Review of risk management policies especially enterprise level risk management.

##### **Compliance and other related aspects**

- Disclosure of related party transactions and subsequent modifications, if any.
- Scrutiny of inter-corporate loans and investments.
- Valuation of undertakings or assets of the Company.

- Uses/application of funds raised through an issue.
- Review and recommendation of appointment, remuneration and terms of appointment of statutory auditors.
- Review of other services rendered by the statutory auditors.
- Review of the management discussion and analysis of the financial conditions and results of operations, significant related party transactions, management letters issued by statutory auditors, internal audit reports.

The Audit Committee looks into the matters as are specifically referred to it by the Board of Directors besides looking into the mandatory requirements of the Regulation 18 of the SEBI Listing Regulations and provisions of Section 177 of the Companies Act, 2013.

#### **B. Composition of Audit Committee**

The Chairperson of the Audit Committee is Mr. Umang Sarkar, who is a Non-Executive Independent Director.

<b>S. No.</b>	<b>Name of the Director</b>	<b>Category</b>
1.	Mr. Umang Sarkar	Non - Executive Independent Director
2.	Mr. Aashish Ghai	Non - Executive Independent Director
3.	Mr. Feroz Malik	Non - Executive Additional Independent Director

#### **C. Meetings of Audit Committee**

<b>Number of Audit Committee Meeting</b>	<b>Date of Audit Committee Meeting</b>
01/2018-19	29.05.2018
02/2018-19	03.08.2018
03/2018-19	29.08.2018
04/2018-19	14.11.2018
05/2018-19	14.02.2019

#### **D. Attendance of Members**

<b>S. No.</b>	<b>Name of the Director</b>	<b>Number of Meetings entitled to attend</b>	<b>Number of Meetings attended</b>
1.	Mr. Umang Sarkar	5	5
2.	Mr. Aashish Ghai	5	5
3.	Mr. Kapil Berera <sup>1</sup>	4	4
3.	Mr. Feroz Malik <sup>2</sup>	1	1

<sup>1</sup>Mr. Kapil Berera resigned from the Board of the Company with effect from 1<sup>st</sup> January, 2019.

<sup>2</sup>Mr. Feroz Malik was duly appointed as an Additional Non- Executive Independent Director by the Board through resolution by circulation passed on 4<sup>th</sup> January, 2019.

## **5. NOMINATION AND REMUNERATION COMMITTEE**

Pursuant to the provision of the Act, the Listing Regulations and the NBFC Regulations, the Company has constituted a Nomination and Remuneration Committee.

### **A. Terms of Reference**

The broad terms of reference of the Committee are as follows:

- To identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall specify the manner for effective evaluation of performance of Board, its committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance.
- To formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration for the Directors, Key Managerial Personnel and other employees.
- The Nomination and Remuneration Committee shall, while formulating the policy ensure that:
  - a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;
  - b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
  - c) remuneration to Directors, Key Managerial Personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals:
- The Chairperson of the said Committee or, in his absence, any other member of the committee authorized by him in this behalf shall attend the general meetings of the company.
- To consider and fix the remuneration package of non-executive and executive Directors including pension rights and any compensation payment.
- All elements of remuneration package of Directors such as benefits, bonus, stock options, pension etc.

- Any other work and policy, related and incidental to the objectives of the committee as per provisions of the Act and rules made thereunder.

## B. Composition of Nomination and Remuneration Committee

The Chairperson of the Nomination and Remuneration Committee is Mr. Umang Sarkar, who is a Non-Executive Independent Director.

Composition of the Remuneration committee and details of the meetings attended are as follow:

S. No.	Name of the Director	Category
1.	Mr. Umang Sarkar	Non-Executive Independent Director
2.	Mr. Feroz Malik	Non-Executive Additional Independent Director
3.	Mr. Aashish Ghai	Non-Executive Independent Director

## C. Meetings of Nomination and Remuneration Committee

Number of Nomination and Remuneration Committee Meeting	Date of Nomination and Remuneration Committee Meeting
01/2018-19	28.08.2018

## D. Attendance of Members

S. No.	Name of the Director	Number of Meetings entitled to attend	Number of Meetings attended
1.	Mr. Umang Sarkar	1	1
2.	Mr. Kapil Berera <sup>1</sup>	1	1
3.	Mr. Aashish Ghai	1	1
4.	Mr. Feroz Malik <sup>2</sup>	N/A	N/A

<sup>1</sup>Mr. Kapil Berera resigned from the Board of the Company with effect from 1<sup>st</sup> January, 2019.

<sup>2</sup>Mr. Feroz Malik was duly appointed as an Additional Non- Executive Independent Director by the Board through resolution by circulation passed on 4<sup>th</sup> January, 2019.

## **E. Performance Evaluation Criteria for Independent Directors**

As per the Regulation 19 of Listing Regulations, the Nomination and Remuneration Committee (the “Committee”) shall lay down the evaluation criteria for performance evaluation of Independent Directors and the Board.

Further, the Board is required to monitor and review Board Evaluation Framework. This Framework shall contain the details of Board’s self-evaluation.

The Board is committed to assess its own performance as a Board in order to identify its strengths and areas in which it may improve its functioning.

The Committee shall establish the following processes for evaluation of performance of Independent Director and the Board:

- Once a year, the Board will conduct a self-evaluation. It is the responsibility of the Chairman of the Board, supported by the Company Secretary of the Company, to organize the evaluation process and act on its outcome;
- The Committee shall formulate evaluation criteria for the Board and the Independent Directors which shall be broadly based on:
  - i. Knowledge to perform the role;
  - ii. Time and level of participation;
  - iii. Performance of duties and level of oversight; and
  - iv. Professional conduct and independence.
- The Board /Independent Directors shall be asked to complete the evaluation forms and submit the same to the Chairperson.
- The formats for Performance Evaluation of the Board of Directors, Non-independent Directors, Chairperson and Independent Directors are the part of the Policy.

## **6. REMUNERATION OF DIRECTORS**

### **WHOLE-TIME/ EXECUTIVE/ MANAGING DIRECTOR**

#### **A. Remuneration**

The Whole-time Director shall be eligible for remuneration as may be approved by the Shareholders of the Company on the recommendation of the Committee and the Board of Directors. The break-up of the pay scale, performance bonus and quantum of perquisites including, employer’s contribution to Provident Fund, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board on the recommendation of the Committee and shall be within the overall remuneration approved by the shareholders and Central Government, wherever required.

## **B. Minimum Remuneration**

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Whole-time Directors in accordance with the provisions of the Companies Act, 2013 and if it is not able to comply with such provisions, then with the prior approval of the Central Government.

## **C. Provision For Excess Remuneration**

If any Whole-time Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Companies Act, 2013 or without the prior approval of the Central Government, where required, he/ she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

## **NON-EXECUTIVE / INDEPENDENT DIRECTOR**

### **A. Sitting Fee**

The Independent Directors of the Company may receive remuneration by way of sitting fees for attending the meeting of the Board of Directors or Committees thereof. Provided that the amount of such fees shall not exceed the maximum amount as provided in the Companies Act, 2013 and rules framed or such amount as may be prescribed by the Central Government.

### **B. Profit-linked Commission**

The profit-linked Commission may be paid within the monetary limit approved by the shareholders of the Company subject to the limit not exceeding 1% of the net profits of the Company computed as per the applicable provisions of the Companies Act, 2013 and rules framed thereunder.

### **C. Stock Options**

An Independent Director shall not be entitled to any stock option of the Company.

## **Key Managerial Personnel, Senior Management Personnel and other employees**

The Key Managerial Personnel (KMP) except Managing Director and Whole Time Director, Senior Management Personnel and other employees of the Company shall be paid monthly remuneration as per the Company's HR policies and / or as maybe approved by the Board on the recommendation of the Committee. The break-up of the pay scale and quantum of perquisites including, employer's contribution to Provident Fund, pension scheme, medical expenses, club fees etc. shall be as per the Company's HR policies.

The Chief Financial Officer of the Company will make annual presentation(s) before the Committee which would have requisite details setting out the proposed performance bonus

payouts for the current financial year as well as the proposed increments for the next financial year. The Committee shall peruse and approve the same unless required under relevant regulations, to refer the same to the Board of Directors and / or Shareholders of the Company.

This Remuneration Policy shall apply to all future/ continuing employment / engagement(s) with the Company. In other respects, the Remuneration Policy shall be of guidance for the Board.

The remuneration for Key Managerial Personnel (KMP) and Senior Managerial Personnel and other employees of the Company shall be approved by the Committee based on the recommendation / presentation by the Chief Financial Officer of the Company. In case any of the relevant regulations require that remuneration of KMPs or any other officer is to be specifically approved by the Committee and / or the Board of Directors then such approval will be accordingly procured

Details of Remuneration, Sitting fees, etc. paid to all the Directors for the year ended 31st March, 2019 are given hereunder:

**EXECUTIVE DIRECTORS (MANAGING/WHOLE-TIME DIRECTORS)**

S. No	Name	Category	Annual Salary (in INR)	Perquisite (in INR)	Commission (in INR)	Total (in INR)
1.	Mr. Naresh Garg	Managing Director	42,00,000	Nil	Nil	42,00,000
2.	Mrs. Sangeeta Garg	Whole Time Director	30,00,000	Nil	Nil	30,00,000
3.	Mr. Gopal Bisht	Whole Time Director & Chief Financial Officer	4,50,000	Nil	Nil	4,50,000

**NON-EXECUTIVE DIRECTORS**

S No.	Name	Category	Sitting Fee	Perquisite	Commission	Total
1.	Mr. Umang Sarkar	Non-Executive Independent Director	Nil	Nil	Nil	-
2.	Mr. Feroz Malik	Additional Non-Executive Independent Director	Nil	Nil	Nil	-
3.	Mr. Aashish Ghai	Non-Executive Independent Director	Nil	Nil	Nil	-
4.	Mr. Kapil Barera	Non-Executive Independent Director	Nil	Nil	Nil	-



## 7. STAKEHOLDER RELATIONSHIP COMMITTEE

In accordance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 20 of Listing Regulations, the Company has constituted a Stakeholder Relationship Committee.

### A. Chairman of the Committee

Mr. Umang Sarkar was appointed as Non-Executive Independent Director and he currently chairs the committee.

### B. Compliance Officer

Ms. Neeti Alwani, Company Secretary, is designated as the Compliance Officer of the Company in terms of Regulation 6 of the Listing Regulations.

**Address of Compliance Officer** – Genesis Finance Company Limited 4, MMTC/STC Market, Geetanjali, Delhi – 110017

### C. Composition of Stakeholder Relationship Committee

S No.	Name of the director	Category
1.	Mr. Umang Sarkar	Independent Director
2.	Mrs. Sangeeta Garg	Whole Time Director
3.	Mr. Naresh Garg	Managing Director

### D. Meetings of Stakeholder Relationship Committee

Number of Stakeholder Relationship Meeting	Stakeholder Committee	Date of Stakeholder Relationship Committee Meeting
01/2018-19		16.04.2018
02/2018-19		18.07.2018
03/2018-19		18.10.2018
04/2018-19		18.01.2019

#### E. Attendance of Members

S. No.	Name of the Director	Number of Meetings entitled to attend	Number of Meetings attended
1.	Mrs. Umang Sarkar	4	4
2.	Mr. Sangeeta Garg	4	4
3.	Mr. Naresh Garg	4	4

#### F. Details of the Investor Complaints Received During FY 2018-19

No. of complaints at the beginning of the year	No. complaints received during the year	No. of complaints not solved to the satisfaction of shareholders	No. of complaints resolved during the year	No. of pending complaints.
Nil	Nil	Nil	Nil	Nil

The committee looks into redressing of investors complaints like non receipt of dividends, non-receipt of Annual Reports, Share Transfers, Issue of Share Certificates and Duplicate/Renewal of Share Certificates, etc.

It recommends measures for overall improvements in the quality and promptness in investor services.

#### 8. RISK MANAGEMENT COMMITTEE

The Company follows well - established risk assessment and minimization procedures which are periodically reviewed by the Board.

For this the Company has constituted a Risk Management Committee and framed a sturdy Risk Management Policy for the company to detect any threats to the extinction of the business.

The Chairperson of the Risk Management Committee is Mr. Naresh Garg, who is a Managing Director of the Company.

The composition of the Committee is as follows:

S. No	Name	Designation
1	Mr. Naresh Garg	Managing Director
2	Mrs. Sangeeta Garg	Whole-Time Director
3	Mr. Gopal Bisht	Whole-Time Director & CFO

## 9. GENERAL BODY MEETINGS

The last three Annual General Meetings (AGMs) of the Company were held at the registered office of the Company at **4 MMTC/STC Market Geetanjali New Delhi 110017** on the following dates:

Year	Day	Date	Time	No of special resolution passed	Venue of Annual General Meetings
2016	Thursday	29.09.2016	12.30 P.M.	Nil	Registered Office
2017	Saturday	30.09.2017	11:00 A.M.	5	Registered Office
2018	Saturday	29.09.2018	11:00 A.M.	Nil	Registered Office

The Company has not passed any resolution through postal ballot in the last year. The Company also not proposed to pass any resolution through postal ballot in this year under review.

## 10. MEANS OF COMMUNICATION

### A. Quarterly Results

The Company had published its quarterly, half yearly and annual financial results in accordance with the Listing Regulations in Financial Express (English, Delhi Edition) and Jansatta (Hindi, Delhi Edition) after its submission to exchange.

### B. Website

All important/material information relating to Company and its performance including the financial results, various policies framed/approved by the Board, matters concerning the shareholders, details of the corporate contact persons and shareholding pattern are displayed on the Company's website [www.genesisfinance.net](http://www.genesisfinance.net).

### C. Official News Release

The Company was not required to make any official news release during the period under review.

### D. Presentations made to Institutional Investors or to the Analysts

The Company was not required to make any presentations to the institutional investors or analysts.

## 11. GENERAL SHAREHOLDERS INFORMATION

### A. 29<sup>TH</sup> Annual General Meeting

<b>Date</b>	25 <sup>th</sup> September, 2019
<b>Time</b>	11:00 A.M.
<b>Venue</b>	4 MMTC/STC Market Geetanjali New Delhi 110017

**B. Financial Year:** 1<sup>st</sup> April, 2018 to 31<sup>st</sup> March, 2019

**C. Dividend Payment Date:** The Board of Directors has not recommended any dividend for the financial year 2018-19

**D. Listing on Stock Exchange:** 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, India.

**E. Stock Code:** N/A

**F. Annual Listing Fess payment:** The Company has paid the annual listing fees for the Financial Year 2018-19 to MSEI

**G. Stock Price Performance / Market price data:** Securities not traded during the year

**H. Performance in comparison to broad-based indices such as BSE sensex, CRISIL Index etc.:** N/A

**I. Are the securities suspended from trading? If yes, the reason:** N/A

**J. Registrar to an issue and share transfer agents:** Skyline Financial Services Pvt. Ltd.

**K. Share Transfer system:**

The Company has appointed M/s Skyline Financial Services Pvt. Ltd as it's share transfer and registrar agent. All physical transfers, transmission, transposition, issue of duplicate share certificates, issue of demand drafts in lieu of dividend warrants, etc. as well as requests for Dematerialisation/Rematerialisation of shares are processed at Skylines. The work related to Dematerialisation/Rematerialisation is handled by Skylines through its connectivity with NSDL and CDSL.

**Correspondence address:** Skyline Financial Services Pvt. Ltd.  
D-153 A, 1st Floor  
Okhla Industrial Area, Phase-I  
New Delhi- 110020

**L. Distribution of Shareholding**

**DISTRIBUTION OF 46,39,71,200 EQUITY SHARE CAPITAL AS ON 31.03.2019**  
**Nominal Value of Each Share INR 10/-**

**Distribution of shareholding across categories**

S. No.	Categories	No. of Shareholders	Shareholding Amount (in INR)	% to Total Amount
1	Promoter & Promoter Group	9	28645400	61.74
2	Public	203	17751720	38.26
3	Non Promoter- Non Public	0	0	0
4	Shares underlying DRs	0	0	0
5	Shares held by Employee Trusts	0	0	0
<b>Total</b>		<b>212</b>	<b>46397120</b>	<b>100</b>

**Distribution of shareholding according to size class**

Shareholding Nominal Value (in INR)	Number of Shareholders	% to Total Numbers	Shareholding Amount (in INR)	% to Total Amount
Up To 5,000	160	75.47	143500	0.03
5001 To 10,000	9	4.25	64000	0.01
10001 To 20,000	0	0	0	0
20001 To 30,000	2	0.94	50000	0.01
30001 To 40,000	2	0.94	78000	0.02

40001 To 50,000	4	1.89	183000	0.04
50001 To 1,00,000	6	2.83	483300	0.1
1,00,000 and Above	29	13.68	462969400	99.78
<b>Total</b>	<b>212</b>	<b>100</b>	<b>463971200</b>	<b>100</b>

**M. Dematerialisation of Shares and Liquidity:**

M/s Skyline Financial Services Pvt. Ltd, RTA of the Company, is the common agency for undertaking physical transfers and act as Depository Registrar.

**H. Outstanding Global Depository Receipts (GDR) or American Depository Receipts (ADR) or warrants or any convertible instruments, conversion date and likely impact on equity:** N/A

**I. Commodity price risk or foreign exchange risk and hedging activities:** N/A

**J. Plant locations:** N/A

**K. Address of Communication:**

The Shareholders may address their Communication suggestion / grievances / queries to:-

Genesis Finance Company Limited  
4,MMTC/STC MARKET, GEETANJALI,  
NEW DELHI - 110 017

**L. list of all credit ratings obtained :** N/A

**12. OTHERS DISCLOSURES**

**A. Disclosures on materially significant related party transactions**

There were no materially significant transactions with the related parties viz. Promoters, Directors or the Management, or their relatives or Subsidiaries having potential conflict with the Company's interest.

**B. Penalties Imposed on Listed Entity**

During the year under review, penalty under Regulation 17(1) of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements), 2015 for non-compliance with the requirements pertaining to the composition of the Board was imposed by Metropolitan Stock Exchange of India and which has been paid by the Company and corrected measures have been taken up by the Company for correcting the composition of Board of Directors.

### **C. Whistle Blower Policy and Vigil Mechanism**

Pursuant to Section 177(9) and (10) of the Companies Act, 2013 and Regulation 22 of the Listing Regulations read with Schedule V, the Company has a Whistle Blower Policy for establishing a vigil mechanism for Directors and employees. The policy has been hosted on the website of the Company at - <https://www.genesisfinance.net/corporate-governance.html>

### **D. Policy for determining Material Subsidiary**

The Company does not have any material listed/unlisted subsidiary companies and is therefore, not required to comply with the provisions of Regulation 24 of the Listing Regulations, regarding the Corporate Governance requirements with respect to subsidiary.

### **E. Policy on dealing with Related Party Transaction**

The Company has a Policy on Related Party Transactions and Materiality of Related Party Transactions. The Policy is disclosed on the website of the Company at: <https://www.genesisfinance.net/financial-pdf/Related-Party-Transaction-Policy.pdf>.

### **F. Disclosure of commodity price risks and commodity hedging activities: N/A**

### **G. Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A)**

During the year under review, the Company has not raised any funds through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A).

### **H. Certificate from Practicing Company Secretary**

A certificate from a Company Secretary in practice certifying that none of the directors on the board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority is annexed and marked as **Annexure VI**.

### **I. Acceptance of recommendations of the Committees of the Board**

During the financial year under review, the Board has accepted all the recommendations of the Committees of the Board.

## J. Total Fees paid by the Listed Entity to its Statutory Auditor

During the year under review the statutory Auditors of the Company has been paid a fees as set out below:

S. No.	Particulars	FY 2018-19 (in INR)	FY 2017-18
1.	Statutory Audit Fees	1,00,000	1,00,000 (Consolidated)
2.	Tax Audit Fees	50,000	
3.	Other matters including certification	50,000	
<b>Total*</b>		<b>2,00,000</b>	<b>1,00,000</b>

\*Excludes taxes as applicable

## K. Sexual Harassment Policy

The Company has in place a Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 readwith the Sexual Harassment of Women at Workplace (Prevention, Prohibition, and Redressal) Rules, 2013. An Internal Complaints Committee has been set up to redress Complaints received on sexual harassment.

No complaint on sexual harassment was received during the Financial Year 2018-19. The details are as under:

S. No.	Particulars	No. of Complaints
1.	Number of complaints filed during the financial year	Nil
2.	Number of complaints disposed off during the financial year	Nil
3.	Number of cases pending as on end of the financial year	Nil



### **13. COMPLIANCE OF MANDATORY AND DISCRETIONARY REQUIREMENTS UNDER THE LISTING REGULATIONS**

#### **A. Mandatory Requirements**

The Company has duly complied with all the applicable mandatory requirements as stipulated in the Listing Regulations, Companies Act, 2013, and other applicable laws in force.

#### **B. Discretionary Requirements**

- **Modified Opinion(s) in audit report:** The Company's audit report does not contain any modified opinion(s).
- **Reporting of Internal Auditor:** The internal auditor reports directly to the Audit Committee of the Company.

### **14. REPORT ON CORPORATE GOVERNANCE REPORT**

The information provided under this annexure constitutes the report on corporate governance during FY 2018-19. A section on 'Management Discussion and Analysis' for FY 2018-19 is also included in this Annual Report.

The Company duly submits the quarterly compliance report to the stock exchanges.

### **15. DECLARATION BY MANAGING DIRECTOR**

The Board of Directors of the Company has laid down a code of conduct for all Board Members and Senior Executives of the Company, which is also hosted on the website of Company at: <https://www.genesisfinance.net/director.pdf>.

In terms of Regulation 26(3) of the Listing Regulations, all the Board members and Senior Management personnel have affirmed compliance with the code for the year ended 31 March 2019. A declaration to this effect signed by the Managing Director of the Company forms a part of this Report and marked as **Annexure VII**.

### **16. CERTIFICATE FROM SECRETARIAL AUDITOR ON CORPORATE GOVERNANCE**

As per the provision of Schedule V of the Listing Regulations, a certificate from practicing Company Secretary on Compliance of Conditions of Corporate Governance is marked and annexed as **Annexure VIII**.

## **17. DISCLOSURES WITH RESPECT TO DEMAT SUSPENSE ACCOUNT/ UNCLAIMED SUSPENSE ACCOUNT**

During the financial year under review, the Company does not have any unclaimed shares. Hence, it has not transferred unclaimed shares to demat suspense account.

## **18. CHIEF FINANCIAL OFFICER CERTIFICATION**

In terms of Regulation 17(8) of the Listing Regulations, the Certificate from the Managing Director and the Chief Financial Officer (CFO) was placed before the Board. The same is provided as **Annexure IX** to this report.

## **19. Code of Conduct on Prevention of Insider Trading**

Pursuant to the SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company had laid down a Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information. All the Directors on the Board, Senior Management at all locations and other employees who could be privy to unpublished price-sensitive information of the Company are governed by this Code. The Code has been disclosed on the website of the Company: <https://www.genesisfinance.net/>.

For and on behalf of  
**Genesis Finance Company Limited**

Sd/-  
**Naresh Garg**  
**Managing Director**  
**DIN: 00916814**  
**Address: B-24 Ground Floor, Geetanjali Enclave,**  
**New Delhi - 110017**

Sd/-  
**Sangeeta Garg**  
**Whole Time Director**  
**DIN: 01117956**  
**Address: B-24, GF, Geetanjali Enclave ,**  
**New Delhi- 110074**

**Date: 30.05.2019**

**Place: New Delhi**

# **ANNEXURE V**

## **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

*[Pursuant to Regulation 34 read with the Schedule V of Securities and Exchange Board of India Listing Obligations and Disclosure Requirements) Regulations, 2015]*

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The Management of the Company is pleased to present its report on Industry Scenario including Company performance during the financial year 2018-19.

### **ECONOMIC OVERVIEW**

India's economy has been the fastest growing major economy in the world and is expected to be one of the top three economic powers of the world over the next 10-15 years, backed by its strong democracy and partnerships. The growth rate of India's Gross Domestic Product (GDP) fell from 7.2 per cent in Financial Year 2017-18 to 6.8 per cent in FY 2018-19, due to poor performance in agriculture and manufacturing sectors India moved up by 23 places in the World Bank's Ease of Doing Business Index 2018 and achieved 77<sup>th</sup> rank. Fixed Investment Rate (Share of GFCF to GDP) stood at 28.9 per cent during FY19, compared to 28.6 per cent during the corresponding period of FY18.

The Government of India has introduced several reforms to liberalise, regulate and enhance this industry. The Government and Reserve Bank of India (RBI) have taken various measures to facilitate easy access to finance for Micro, Small and Medium Enterprises (MSMEs).

Nominal Repo Rate stood at 6.25 per cent as of February 6, 2019, compared to 6.00 per cent as of February 16, 2018. Bank credit grew 14.5 per cent year-on-year as on February 1, 2019, compared to 10.7 per cent year-on-year as on April 12, 2018. The Government has ease the norms of foreign investment which has resulted into a positive era for the foreign investors, increasing their stakes in joint ventures with Indian Companies. Investments by Foreign Portfolio Investors (FPIs) in Indian capital markets have reached Rs 5,400 crore (US\$ 748.44 million) up to December 30, 2018.

### **INDUSTRY OVERVIEW**

Non-Banking Financial Companies (hereinafter to be referred as "the NBFCs") have been under liquidity pressure after the shock default by Infrastructure Leasing & Financial Services (IL&FS) in September, 2018. NBFCs has been growing robustly in recent years, providing an alternative source of funds to the commercial sector in the face of slowing bank credit. The profitability of NBFCs improved on the back of fund-based income, low NPA levels relative to banks and strong capital buffers.

As per the Financial Stability Report dated 31<sup>st</sup> December, 2018 released by Reserve Bank of India, NBFCs have outperformed Scheduled Commercial Banks (SCBs) on growth in advances, asset quality and profitability. NBFCs have brought the sector under greater market discipline. NBFCs are expected to grow and to increase their share in the market in near future.

- **MSME Sector**

Micro, small and medium enterprises (MSMEs) is the backbone of the national economic structure. There are more than 63 million MSMEs in India which account for 45% of industrial production, 30.5% of services sector and provide employment close to 110 million people. MSMEs contribute around 6.11% of the manufacturing GDP and 24.63% of the GDP from service activities as well as 33.4% of India's manufacturing output and contribute around 45% of the overall exports. The Government of India has been taking several initiatives for facilitating the growth of MSME sector yet lack of access to financial resource is a major concern for MSMEs. The gap between the total addressable demand for external credit and overall supply of finance is huge. According to the estimates, the credit gap could increase even higher in upcoming years. The Government in Union Budget 2019 unveiled a slew of initiatives and new provisions to tackle issues related to the MSME sector in the country. **"Make in India"** with particular emphasis on Micro, Small & Medium Enterprises, was one of the major focus areas of the Union Budget 2019.

- **Housing Finance**

According to the reports of ICRA, tight liquidity conditions since September 2018 has pushed housing finance companies (HFCs) to lower their disbursements and meet a sizable portion of their fund requirement through portfolio sell-down route. Housing loan portfolio growth for HFCs and NBFCs has reduced to 13 per cent year-on-year as on December 31, 2018 as compared to 18 per cent year on year as on December 31, 2017. However, given the positive long-term prospects for the sector, ICRA expects housing credit growth for FY2020 to be pegged at 14-16 per cent, provided the liquidity conditions in the market ease out.

## **THE COMPANY**

Genesis Finance Limited is a leading Indian Financial Institution specialising in providing debt financing to MSMEs and consumers in India. The founding theme of Genesis Finance is that financing India's 50 million MSMEs and its emerging middle class, with a differentiated model, based on new technologies provides a large and unique opportunity. Genesis has been in the business for more than 25 years and was amongst the first 25 NBFCs registered with RBI.

Unlike traditional models of financing, Genesis Finance successfully creates innovative financial solutions for you and your business to fulfill all your financing needs. The company provides financing for various purposes like business expansion, working capital loans, car loans, home loans and personal loans..

Within a short time, Genesis has built a large network and provides financing across Delhi NCR. The loan book of the company is of exceptional quality as compared to the industry, with ZERO NPA since inception is focused on building an institution on strong pillars of ethics, values and high corporate governance.

## **OPPORTUNITIES & THREATS**

The Company is maintaining an appropriate balance between risks and returns and has been consistent over the years which can be attributed to increase its market size within the targeted segments of operations. The Company has managed to keep asset quality stable. The primary risks that the NBFCs are exposed to credit risk, market risk and operational risk. The Company policies framework is designed to mitigate the possible threats and to provide the right balance between business growth and portfolio quality.

## **OUTLOOK**

NBFC's has played an important role in the economic growth and financial inclusion. As the economy grows larger and continue to develop, the need for credit will rise disproportionately which will provide an opportunity to NBFC's to shine and increase their market share. In order to sustain in the Competitive market, the Company is following a customer relationship approach by raising the level of customer service and also focusing on certain areas through optimizing the funding costs, identification of potential business areas, widening geographical reach, cost efficiencies, strict credit monitoring, etc.

With the initiatives taken by the government to promote the growth of NBFC's in India, there is a potential for the Company to increase its market share in coming years.

## **RISKS & CONCERNS**

There are certain risks in every business by which Companies are exposed to. The Company has a proper Risk Management Committee which effectively identifies, measure, report, monitor and control operational risks. Identification and management of risk is a continuous process in the Company. Risk Management Committee works rigorously towards it. The company is constantly on vigil to understand the changes at the market place from time to time. Timely and effectively risk management is a key to success considering the increased competition in the market.

## **INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

The Company has an effective internal control system to evaluate the adequacy of all internal controls, its processes and ensures strict adherence to clearly laid down processes as well as to the prescribed regulatory and legal framework. The Company's Internal Control System commensurate with its size and the nature of its operations with a aim to provide reasonable assurance that all assets are safeguard from unauthorized use, recording and providing reliable financial and operational information, ensuring compliance with applicable statues and corporate policies.

## **MATERIAL DEVELOPMENT IN HUMAN RESOURCES**

Human resources plays a vital role towards the growth of the Company in any organization. The Company considers its people as most valuable resource and always strives to provide them a positive environment which leads to high performance culture. Company chooses its people very carefully, ensuring that they conform to the company's culture and follow its values and belief system.

## **FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE**

During the financial year under review, the Company has recorded turnover of Rs. 14,24,54,190.73 (Fourteen Crore Twenty Four Lakh Fifty Four Thousand One Hundred Ninety Point Seven Three) in comparison to 14,26,36,106.27 (Fourteen Crore Twenty Six Lakh Thirty Six Thousand One Hundred Six Point Two Seven) of the previous year.

Profit Before Tax (PBT) stands at Rs. 5.94 Lakhs as against Rs. 4.19 Lakhs of the previous financial year. The Company's Profit after Tax (PAT) increased to 4.30 Lakhs in FY 2018-19 compared to Rs. 2.92 Lakhs in FY 2017-18. The earning per equity share of the Company (basic) has increased from 0.67 to 0.93.

## **DETAILS OF SIGNIFICANT CHANGES IN KEY FINANCIAL RATIOS**

- a) The details of the key financial ratios in which there has been a significant change (i.e. change of 25% or more): **Not Applicable**
- b) Further, there is no significant changes in the following key financial ratios:

<b>Sr. No.</b>	<b>Key Financial Ratios</b>	<b>FY 2018-19</b>	<b>FY 2017-18</b>
1.	Debtors Turnover	NA	NA
2.	Inventory Turnover	NA	NA
3.	Interest Coverage Ratio	2.31	1.75
4.	Current Ratio	3.55	3.23
5.	Debt Equity Ratio	0.48	0.65
6.	Operating Profit Margin (%)	NA	NA
7.	Net Profit Margin (%)	30.24	20.54
8.	Return on Net Worth	5.16	4.18

## **FUTURE PROSPECTS**

The company continues to pursue the strategy of being multi product and multi locational, thus giving the distinct edge from the risk management and scalability perspective. The focus across the product is of catering to the lower and the middle income segment, which is the key driver of our economy.

## **CAUTIONARY STATEMENT**

This report contains forward-looking statements which are based on certain assumptions, risks, uncertainties and expectations of future events. All statements that address expectations or projections about the future are forward-looking statements. The actual results, performance or achievements can thus differ materially from those projected in any such statements depending on various factors including the demand supply conditions, change in government regulations, tax regimes, economic development within the country and such other incidental factors over which, the Company does not have any direct control.

For and on behalf of  
**Genesis Finance Company Limited**

Sd/-  
**Naresh Garg**  
**Managing Director**  
**DIN: 00916814**  
**Address: B-24 Ground Floor, Geetanjali Enclave,**  
**New Delhi - 110017**

Sd/-  
**Sangeeta Garg**  
**Whole Time Director**  
**DIN: 01117956**  
**Address: B-24, GF, Geetanjali Enclave ,**  
**New Delhi- 110074**

**Date: 30.05.2019**

**Place: New Delhi**

## ANNEXURE VI

### **CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

*(Pursuant to Regulation 34(3) and Schedule V Para C Clause (10)(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015)*

To,  
The Members of  
**Genesis Finance Company Limited**  
4 MMTC/STC Market, Geetanjali,  
New Delhi – 110070

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Genesis Finance Company Limited** having **CIN: L65910DL1990PLC040705** and having registered office at 4 MMTC/STC Market, Geetanjali, New Delhi – 110070 (hereinafter referred to as “the Company”), produced before me by the Company for the purpose of issuing this certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me by the Company and its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31<sup>st</sup> March, 2019 have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

<b>S. No.</b>	<b>Name of Director</b>	<b>DIN</b>	<b>Date of appointment in Company</b>
1.	Mr. Naresh Garg	00916814	10/07/1994
2.	Mrs. Sangeeta Garg	01117956	27/11/1997
3.	Mr. Gopal Bisht	00597160	30/06/2004
4.	Mr. Umang Sarkar	03172902	14/08/2014
5.	Mr. Aashish Ghai	07276636	21/08/2015
6.	Mr. Feroz Malik	00262559	04/01/2019



Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For B. Samrish & Co.  
Company Secretaries**

**Sd/-  
(Samrish Bhanja)  
Company Secretary  
M. No.: 4742  
CP No.: 4835**

**Place: New Delhi  
Date: 30.05.2019**

## ***ANNEXURE VII***

### **DECLARATION ON CODE OF CONDUCT**

**May 30, 2019**

To,  
The Board of Directors  
**Genesis Finance Company Limited**

I, Naresh Garg, Managing Director of Genesis Finance Company Limited (“the Company”) hereby declare that all the Board members and Senior Managerial personnel have affirmed compliance with the code of conduct of the Company laid down for them, for the year ended on 31<sup>st</sup> March, 2019.

**Sd/-**  
**Naresh Garg**  
**(Managing Director)**  
**DIN: 00916814**  
**Address: B-24 Ground Floor,**  
**Geetanjali Enclave,**  
**New Delhi - 110017**

**Place: New Delhi**

## **ANNEXURE VIII**

### **Certificate on Corporate Governance**

*[Pursuant to the provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]*

To,  
The Members of  
**Genesis Finance Company Limited**  
4 MMTC/STC Market, Geetanjali,  
New Delhi – 110070

The Corporate Governance Report prepared by Genesis Finance Company Limited (“the Company”) for the financial year ended 31<sup>st</sup> March 2019, contains details as required by the provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (“LODR Regulations”) as amended. This report is required by the Company to be annexed with the Directors’ Report, in terms of Para E of Schedule V to the LODR Regulations, for further being sent to the Shareholders of the Company and we have examined the applicable compliance of conditions of Corporate Governance by the Company for the financial year ended 31<sup>st</sup> March 2019, as stipulated in Chapter IV of the LODR Regulations as amended from time to time.

#### **Management’s Responsibility for compliance with the conditions of LODR Regulations**

The Company’s Management is responsible for compliance of conditions of Corporate Governance including the preparation and maintenance of all relevant supporting records and documents as stipulated under the LODR Regulations. This responsibility includes the design, implementation and maintenance of corporate governance process relevant to the compliance of the conditions. Responsibility also includes collecting, collating and validating data and designing, implementing and monitoring of Corporate Governance process suitable for ensuring compliance with the LODR Regulations.

#### **Responsibility**

Pursuant to the requirements of the LODR Regulations, it is our responsibility to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as stipulated in LODR Regulations for the financial year ended 31<sup>st</sup> March 2019.

We have examined the compliance of conditions of Corporate Governance by the Company for the period 1<sup>st</sup> April 2018 to 31<sup>st</sup> March 2019 as per the LODR Regulations. 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.

We conducted our examination of the corporate governance compliance by the Company as per the Guidance Note on Reports or Certificates for Special purposes (Revised 2016), Guidance Note on Certification of Corporate Governance both issued by the Institute of Company Secretaries of India (“ICSI”) and the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate. The Guidance Note on Reports or Certificates for

Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by the ICSI.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

**Opinion:**

In our opinion and to the best of our information and according to the explanations given to us, and the representation provided to us by the management of the Company, we certify that:

1. The Company has complied with all the conditions of Corporate Governance as stipulated in the LODR Regulations during the financial year 2018-19. However, the Company remained non-compliant for part of the financial year as per the stipulations of point 2 below.
2. As per the provisions of Regulation 17(1) (b) of LODR Regulations, at least half of the Board of Directors of the Company should comprise of independent directors. In the present case, only *one-third* of the Board of Directors of the Company comprised of Independent Directors during the first three quarters of the financial year 2018-19. The Company rectified the same during the last quarter of the F.Y. 2018-19 and the composition of the Board of the Company was compliant with above stated regulation w.e.f 4<sup>th</sup> January, 2019.
3. With respect to the non-compliance stated in Pt. 2 above, Metropolitan Stock Exchange of India Limited (MSEI), Stock Exchange where the securities of the Company are listed, imposed a fine of Rs.23,600/- (Rupees Twenty three thousand six hundred only) vide it's email dated 17<sup>th</sup> May, 2019 which is continuation to the MSEI Order No. MSE/LIST/2019/1024 dated 2<sup>nd</sup> May, 2019. The Company duly abided by the same and paid the penal amount on 18<sup>th</sup> May, 2019.

We 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.

**Other matters and Restriction on Use**

The certificate is addressed and provided to the members of the Company solely for the purpose to enable the Company to comply with the requirement of the SEBI LODR Regulations, and it should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

**For A. Upadhyaya & Associates**

**Sd/-  
Abhimanyu Upadhyaya  
Practicing Company Secretaries  
COP: 4729  
Membership No. FCS 5921**

**Place: New Delhi  
Date: 30.05.2019**

## **ANNEXURE IX**

### ***Certificate in terms of Regulation 17(8) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015***

**To,  
The Board of Directors,  
Genesis Finance Company Limited**

We, the undersigned in our respective capacities as Managing Director and Chief Financial Officer of Genesis Finance Company Limited ("the Company"), certify to the Board in terms of regulation 17(8) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 that we have reviewed the Financial Statement and Cash Flow Statement of the Company for the Financial Year ended on 31<sup>st</sup> March, 2019, to the best of our knowledge and belief, we 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 violation of the Company's Code of Conduct.
- C. We accept the responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we 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 to rectify 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 during the year and that the same have been disclosed in the notes to the financial statements; and
  - iii) Instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company internal control system over financial reporting.

**Sd/-**  
**Naresh Garg**  
(Managing Director)  
DIN: 00916814

**Sd/-**  
**Gopal Bisht**  
(Chief Financial Officer)  
DIN: 00597160

**Place:** New Delhi  
**Date:** 30.05.2019

# **STANDALONE FINANCIAL STATEMENTS**

# **INDEPENDENT AUDITOR'S REPORT**

## **TO THE MEMBERS OF GENESIS FINANCE COMPANY LIMITED**

### **Report on the Standalone Financial Statements**

We have audited the accompanying standalone financial statements of **GENESIS FINANCE COMPANY LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2019, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### **Management's Responsibility for the Standalone financial statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position and the financial performance and cash flows of the Company in accordance with the accounting Standards prescribed under section 133 of the Act read with the Companies (Accounting Standards) Rules, 2006 as amended and other accounting principles generally accepted in India and guidelines issued by the Reserve Bank of India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting 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 adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone 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 standalone financial statements based on our audit.

In conducting 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 and the order issued under Section 143(11) of the Act.

We conducted our audit of the standalone financial statements 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 standalone financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone 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 standalone financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone financial statements.

We believe that the audit evidence obtained by us, is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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 standards and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2019, and its profit and its cash flows for the year ended on that date.

### **Other Matters**

The comparative standalone financial information of the Company for the year ended 31st March, 2018 was conducted by M/s G Singh & Co. (previous auditors of the company).

Our opinion on the standalone financial statements and our report on other Legal and Regulatory Requirements below is not modified in respect of this matter.

### **Report on Other Legal and Regulatory Requirements**

1. As required by Section 143(3) of the Act, based on our audit we report , to the extent applicable 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 company has no branch offices during the year.



- d) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- e) In our opinion the aforesaid standalone financial statements comply with the Accounting Standards prescribed under section 133 of the Act.
- f) On the basis of the written representations received from the directors as on 31st March, 2019, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019, from being appointed as a director in terms of Section 164(2) of the Act.
- g) With respect to the adequacy of the internal financial controls over financial reporting of the Company, refer to our separate Report in “Annexure A”. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company’s internal financial controls over financial reporting.
- h) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts required to be transferred to the Investor Education and Protection Fund by the Company.

2. As required by the Companies (Auditor’s Report) Order, 2016 (“the Order”) issued by the Central Government in terms of Section 143(11) of the Act, we give in “Annexure B” a statement on the matters specified in paragraphs 3 and 4 of the Order.

**For M.C.Jain & Co.**  
**Chartered Accountants**  
**FRN 304012E**

**Sd/-**  
**CA Sahil Singla**  
**Partner**  
**M. No. 0550530**

**Place: New Delhi**  
**Dated: 30<sup>th</sup> May 2019**

## **ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT**

**(Referred to in paragraph 1(h) under ‘Report on Other Legal and Regulatory Requirements’ of our report of even date to the members of Genesis Finance Company Limited)**

**Report on the Internal Financial Controls Over Financial Reporting 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 **GENESIS FINANCE COMPANY LIMITED** (“the Company”) as of 31st March, 2019 in conjunction with our audit of the standalone 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 (ICAI). 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.

### **Auditor’s 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 and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 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, to the best of our information and according to the explanations given to us, the Company has, in all material respects, maintained adequate internal financial controls over financial reporting as of 31st March, 2019, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Notes.

For **M.C.Jain & Co.**  
**Chartered Accountants**  
**F.R.N. No. 304012E**

**Sd/-**  
**CA Sahil Singla**  
Partner  
M.No. 0550530

**Place:** New Delhi  
**Dated:** 30<sup>th</sup> May, 2019

## ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the members of Genesis Finance Company Limited)

- (i) In respect of its fixed assets:
  - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - (b) The Company has a regular program of verification of fixed assets to cover all the items in a phased manner over a period of one year which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, fixed assets were physically verified by the Management during the year. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
  - (c) According to the information and explanations given to us and the records examined by us and based on the examination of these records conveyance deed of immovable property being office space have not been executed in the name of the company due to technical reasons, as the property is leasehold and not freehold.
- (ii) The company is a service company, primarily engaged in financing activities, it does not hold any inventories and as such clause 3(ii) of the order is not applicable to it.
- (iii) According to the information and explanations given to us, the Company has not granted loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013.
- (iv) The company has registered Non-Banking Finance Company to which provisions of Section 185 and 186 of the Companies Act, 2013 are not applicable, hence reporting under clause (iv) of the Order is not applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit from public during the year as provided under Section 73 to 76 or any other relevant provisions of the Company's Act, 2013. Accordingly, the provisions of clause (v) of the Order are not applicable. There are no unclaimed deposits with the company any time during the year.
- (vi) The maintenance of cost records has not been specified by the Central Government under Section 148(1) of the Companies Act, 2013 hence no cost records have been maintained by the company.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
  - (a) The Company has generally been regular in depositing undisputed statutory dues of income-tax and Goods & Service Tax and other material statutory dues applicable to it with

the appropriate authorities. However on certain occasion they have defaulted in payment of dues which have been rectified later.

(b) There were no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, sales tax, wealth tax, service tax, customs duty, excise duty, value added tax, cess and other material statutory dues in arrears as at 31st March, 2019 for a period of more than six months from the date they became payable.

(c) Details of dues of income-tax, sales tax, wealth tax, service tax, customs duty, excise duty and value added tax which have not been deposited as on 31st March, 2019 on account of disputes are given below:

<b>Name of Statute</b>	<b>Assessment Year</b>	<b>Amount in ₹</b>	<b>Reason for non deposit</b>
Income tax	2012-13	3,55,030	Rectification pending with AO
Income tax	2013-14	10,42,230	Appeal pending with CIT
Income tax	2017-18	82,40,070	Grievance Pending with the Assessing Officer
T D S	Various Years	84,807	Company has asked for details of the demand and the same is awaited

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks, government and dues to debenture holders.
- (ix) The company has not raised moneys by way of initial public offer/ further public offer during the year. However the company has availed term loan from State Bank of India during the year, the term loan availed has been utilised for the purpose for which it was availed.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act, 2013.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.

- (xiv) a) During the year, the Company has converted balance part of 7% Compulsorily Convertible Debentures into equity shares which were issued in the previous year. As such 3,27,380 Equity Shares has been issued to the debenture holders against equivalent number of debentures held by them during the year.
- b) During the year, the Company has issued 22,91,660 Equity shares by way of bonus issue to the debenture holders post conversion in equity.
- (xv) In our opinion and according to the information and explanations given to us, during the year, the Company has not entered into any non-cash transactions with its directors or directors of its holding, subsidiary or associate company or persons connected with them and hence provisions of Section 192 of the Companies Act, 2013 are not applicable.
- (xvi) The Company is required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934 and it has obtained the registration required.

**For M.C.Jain & Co.**  
**Chartered Accountants**  
**F.R.N. No. 304012E**

**Sd/-**  
**CA Sahil Singla**  
Partner  
M.No. 0550530

**Place:** New Delhi  
**Dated:** 30<sup>th</sup> May, 2019

Balance Sheet as on 31st March, 2019

Amount in ₹

S No.	Particulars	Note	As at		
			31st March 2019	31st March 2018	
<b>EQUITY AND LIABILITIES</b>					
<b>I</b>	<b>Shareholder's Funds</b>				
(a)	Share Capital	2	463,971,200.00		437,780,800.00
(b)	Reserves and Surplus	3	371,200,497.07		262,650,122.76
				835,171,697.07	700,430,922.76
<b>II</b>	<b>Share application money pending allotment</b>			-	-
<b>III</b>	<b>Non-Current Liabilities</b>				
(a)	Long-Term Borrowings	4	251,480,147.83		251,380,628.38
(b)	Long Term Provisions	5	9,998,053.00		10,060,196.00
				261,478,200.83	261,440,824.38
<b>IV</b>	<b>Current Liabilities</b>				
(a)	Short-Term Borrowings	6	91,125,577.79		84,650,500.90
(b)	Other Current Liabilities	7	33,827,921.00		100,379,508.58
(c)	Short-Term Provisions	8	11,792,849.57		6,727,520.14
				136,746,348.36	191,757,529.62
	<b>Total</b>			<b>1,233,396,246.26</b>	<b>1,153,629,276.76</b>
<b>ASSETS</b>					
<b>I</b>	<b>Non-current assets</b>				
(a)	Property, plant and equipment				
	i) Tangible Assets	9	7,222,194.45		16,791,630.03
	ii) Intangible Assets		-		-
	iii) Capital work-in-progress		-		-
(b)	Non-current Investments		-		-
(c)	Deferred tax assets (net)		3,221,122.00		2,829,054.00
(d)	Long Term Loans and Advances	10	737,209,031.80		514,162,660.00
(e)	Other Non-current Assets		-		-
				747,652,348.25	533,783,344.03
<b>II</b>	<b>Current assets</b>				
(a)	Cash and cash equivalents	11	200,836.47		2,087,607.47
(b)	Short-Term Loans and Advances	12	415,432,314.54		612,557,015.26
(c)	Other Current Assets	13	70,110,747.00		5,201,310.00

				485,743,898.01		619,845,932.73
	<b>Total</b>			<b>1,233,396,246.26</b>		<b>1,153,629,276.76</b>

Notes to financial statements 1 to 20  
 In terms of or report of even date  
 attached

**For MC Jain & Co**  
 Chartered Accountants  
 FRN 304012E

**for and on behalf of the Board**

**Sd/-**  
**CA Sahil Singla**  
 Partner  
 MN 055030

**Sd/-**  
**Naresh Garg**  
 Managing  
 Director  
 DIN: 00916814

**Sd/-**  
**Sangeeta Garg**  
 Whole Time  
 Director  
 DIN: 01117956

**Sd/-**  
**Gopal Bisht**  
 Chief Financial  
 Officer  
 DIN: 00597160

**Sd/-**  
**Neeti Alwani**  
 Company  
 Secretary  
 M.No A 45231



Statement of Profit and Loss for the year ending 31st March, 2019				
				Amount in ₹
S No.	Particulars	Note	For the period ending	For the period ending
			31st March 2019	31st March 2018
<b>INCOME</b>				
I	Revenue from operations- Interest Received	14	142,454,190.73	142,436,106.27
II	Other Income	15	1,869,790.00	2,662,975.83
III	<b>Total Income (I+II)</b>		<b>144,323,980.73</b>	<b>145,099,082.10</b>
<b>EXPENDITURE</b>				
(i)	Employee benefit Expenses	16	15,180,394.00	16,175,053.52
(ii)	Financial costs	17	47,712,687.16	56,674,774.57
(iii)	Depreciation and Amortization	9	3,137,841.00	7,175,438.00
(iv)	Other expenses	18	18,487,277.26	23,138,277.93
(v)	Loss on Sale of Asset		323,195.00	-
	<b>Total Expenses</b>		<b>84,841,394.42</b>	<b>103,163,544.02</b>
V	Profit before exceptional and extraordinary (III-IV)		59,482,586.31	41,935,538.08
VI	Exceptional Items		-	-
VII	Profit before extraordinary items and tax (V - VI)		59,482,586.31	41,935,538.08
VIII	Extraordinary Items		-	-
IX	Profit before tax (VII - VIII)		59,482,586.31	41,935,538.08
X	Tax Expenses/Provision			
(i)	Current tax		16,800,000.00	13,751,000.00
(ii)	Deferred tax		(392,068.00)	(1,068,760.27)
(iii)	Provision for earlier years			-
XI	Profit(Loss) from the period from continuing operations (IX-X)		43,074,654.31	29,253,298.35
XII	Profit/(Loss) from discontinuing operations		-	-
XIII	Tax Expense of discounting operations		-	-
XIV	Profit/(Loss) from Discontinuing operations (XII - XIII)		-	-

XV	<b>Profit/(Loss) for the period (XI + XIV)</b>		<b>43,074,654.31</b>	<b>29,253,298.35</b>
XVI	Earning per equity share of face value of ₹ 10/- each			
	Basic		0.93	0.67
	Diluted		0.93	0.76
	Notes on Financial Statements	1 to 20		

**For MC Jain & Co**  
Chartered Accountants  
FRN 304012E

**for and on behalf of the Board**

**Sd/-**  
**CA Sahil Singla**  
Partner  
MN 055030

**Sd/-**  
**Naresh Garg**  
Managing Director  
DIN: 00916814

**Sd/-**  
**Sangeeta Garg**  
Whole Time Director  
DIN: 01117956

**Sd/-**  
**Gopal Bisht**  
Chief Financial Officer  
DIN: 00597160

**Sd/-**  
**Neeti Alwani**  
Company Secretary  
M.No A 45231

Cash Flow Statement for the year ending March 31, 2019

Amount in ₹

Particulars	FY 2018-19	FY 2017-18
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit Before Tax	5,94,82,586.31	4,19,35,538.08
Adjustments for :		
Depreciation and Amortization	31,37,841.00	71,75,438.00
Provision for Non Performing Assets	28,01,617.00	-
Provision for Standard Assets	(40,54,178.00)	27,78,770.00
Retirement Benefits	2,56,521.00	15,72,308.00
Less: Profit on sale of Assets and Investment	3,23,195.00	-
	<b>24,64,996.00</b>	<b>87,47,746.00</b>
<b>Operating Profit Before Working Capital Changes</b>	<b>6,19,47,582.31</b>	<b>5,06,83,284.08</b>
<b>Changes in Working Capital :</b>		
Increase/ (Decrease) in Other Current Liabilities	(81,39,056.00)	89,20,804.78
(Increase) / Decrease in Long-Term Loans and Advances	(22,30,46,371.80)	(10,89,10,640.00)
(Increase) / Decrease in Short-Term Loans and Advances	19,71,24,700.72	15,44,13,304.56
(Increase) / Decrease in Other Current Assets	(6,49,09,437.00)	19,22,625.00
<b>Cash Generated from Operations</b>	<b>(3,70,22,581.77)</b>	<b>10,70,29,378.42</b>
Taxes paid (net of refunds)	1,08,00,773.57	1,51,26,805.12
<b>Net Cash Generated from Operations</b>	<b>(4,78,23,355.34)</b>	<b>9,19,02,573.30</b>
Extraordinary Items	-	-
<b>Net Cash Generated from Operating Activities</b>	<b>(4,78,23,355.34)</b>	<b>9,19,02,573.30</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Tangible / Intangible Assets(Net)	(9,00,865.00)	(1,16,08,668.74)
Sale of Tangible / intangible Assets(Net)	70,09,265.00	-
Sale of Non current Investments	-	-
<b>Net Cash from Investing Activities</b>	<b>61,08,400.00</b>	<b>(1,16,08,668.74)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Share allotment	2,61,90,400.00	-
Proceeds from Debentures allotment	-	-
Securities Premium received (Net of adjustment on issue of bonus shares)	6,54,75,720.00	-
Conversion of Debentures	(9,16,66,120.00)	-
Availment (Repayment) of Long-Term Borrowings(Net of repayments)	3,33,53,107.45	(6,69,37,427.52)
Availment (Repayment) of Short-Term Borrowings	64,75,076.89	(1,13,16,194.57)
<b>Net Cash used in Financing Activities</b>	<b>3,98,28,184.34</b>	<b>(7,82,53,622.09)</b>
Net increase in Cash and Cash Equivalents	(18,86,771.00)	20,40,282.47
Cash and Cash Equivalents at the Beginning of the Year	20,87,607.47	47,325.00

Cash and Cash Equivalents at the end of the year	2,00,836.47	20,87,607.47
Cash and Cash Equivalents comprises of :		
Cash on Hand	1,79,594.00	62,402.00
Cheques on Hand	-	-
Balances with Banks- Highly liquid investments	21,242.47	20,25,205.47
Total		
The accompanying notes are an integral part of the financial statements.		
As per our report of even date attached		

**For MC Jain & Co**  
Chartered Accountants  
FRN 304012E

**for and on behalf of the Board**

**Sd/-**  
**CA Sahil Singla**  
Partner  
MN 055030

**Sd/-**  
**Naresh Garg**  
Managing Director  
DIN: 00916814

**Sd/-**  
**Sangeeta Garg**  
Whole Time Director  
DIN: 01117956

**Sd/-**  
**Gopal Bisht**  
Chief Financial Officer  
DIN: 00597160

**Sd/-**  
**Neeti Alwani**  
Company Secretary  
M.No A 45231

## Notes to Standalone Financial Statements as at March 31, 2019

### 1. A. Corporate Overview

Genesis Finance Company Limited was registered as Limited Company with Registrar of Companies, Delhi and Haryana on 03.07.1990. The Company received the Certificate of Commencement of Business on 24.07.1990. The Company is registered as non deposit taking NBFC as defined under section 45 IA of the Reserve Bank of India Act, 1934. The Company is engaged in the business of lending.

### B. Significant Accounting Policies

The financial statements have been prepared in accordance with generally accounting principles as well as the requirements of Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014. The Significant policies are as follows

#### a. Basis of Accounting & preparation of Standalone Financial Statements:

The Standalone financial statements of the company have been prepared in accordance with generally accepted accounting to comply with the accounting standards specified under section 133 of the Companies Act, 2013 and Guidelines issued by Reserve Bank of India. The Standalone financial statements have been prepared on the accrual basis under the historical cost convention and on the basis of a going concern. The accounting policies adopted in the preparation of the standalone financial statements are consistent with those followed in the previous year.

#### b. Use of estimates:

The preparation of Standalone Financial Statements requires the management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) as of the date of standalone financial statements and the reported income and expenses during the reporting period. Management believes that the estimates used in the preparation of the standalone financial statements are prudent and reasonable. Actual results could differ from these estimates. Any change in the estimates is recognized prospectively in current and future period.

#### c. Revenue Recognition:

Revenue is recognized to the extent it is probable that economic benefits will flow to the company and the revenue can be reliably measured. In addition, the following criteria must be met before revenue is recognized:

- i. Interest on lending is recognized on accrual basis, except in case of Non Performing Assets (NPA's), where in income is recognized on realization of the same. NPA's are determined in accordance with the Guidelines issued by the Reserve Bank of India. Future accrual interest is suspended for loan accounts that are contractually

delinquent for more than 180 days. Suspended income is recognized as and when collected.

- ii. Interest for delayed period is accounted on cash basis as a consistent practice considering that the same are not material transactions.
- iii. Profit or Loss on sale of assets held for own or assets possessed from borrowers is recognized on the date of realization basis.

**d. Property, Plant & Equipment:**

**Tangible Assets:**

Fixed Assets are carried at cost less accumulated depreciation and impairment losses, if any. The cost of fixed assets includes interest on borrowing attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use and other incidental expenses incurred up to that date.

**Intangible Assets:**

Intangible assets are recognized when it is probable that the future economic benefits that are attributable to the assets will flow to the company and cost of the assets can be measured reliably. Intangible are carried at cost less accumulated amortization and impairment losses, if any. The cost of an intangible asset comprises its purchase price , including any import duties and other taxes (other than those subsequently recoverable from taxing authorities), and any directly attributable expenditure on making the assets ready for its intended uses and net of trade discounts and rebates.

**e. Depreciation & Amortization:**

Depreciation has been provided on written down value method over useful life of the asset as specified in Schedule II of the Companies Act, 2013. Depreciation on additions to fixed assets is provided on pro-rata basis from the date of addition. The estimate useful life of intangible assets and the amortization period are reviewed at the end of each financial year and amortization method is revised to reflect the changed pattern.

**f. Cash & Cash Equivalent:**

Cash Comprises cash on hand. Cash Equivalent are short term bank balances and highly liquid investments that are readily convertible in cash and which are subjected to insignificant risk of change in value.

**g. Finance Cost:**

Interest Cost is recognised as expenses in the period in which the cost is incurred.

**h. Employees Benefit:**

- i. Short Term: Short Term Employee benefits are recognised as an expense at the undiscounted amount expected to be paid over the period of services rendered by the employees to the company. This includes salary, compensated leave encashment and bonus.
- ii. Long Term: Leave encashment benefits are charged to Profit & Loss Account in each year on the basis of actual payments made to the employees. There are no rules for carry forward leave. The Company does not have any defined contribution plan as PF is not applicable to the company. The company has defined benefit i.e. Gratuity which is payable at the time of death or at the time of leaving the company by the employee. Provision for Gratuity has been made on the basis of actuarial valuation obtained from independent actuary as on the date of Balance Sheet.

**i. Investments:**

Investments that are intended to be held for more than a year, from the date of acquisition, are classified as long-term investments and are carried at cost.

**j. Loans & Advances Classification In Long Term Versus Short Term:**

The amount or installments of loans given by the company which are recoverable within a period of twelve months from the date of the balance sheet have been considered as Short Term Loans and balance has been considered as Long Term Loans.

**k. Taxation**

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the Income Tax Act, 1961.

Deferred Tax is recognized on timing differences; being the differential between the taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and tax laws enacted or substantially enacted as at the reporting date. Deferred tax liabilities are recognized for all timing differences. Deferred Tax Asset in respect of unabsorbed depreciation and carry forward losses are recognized only if there is virtual certainty that there will be sufficient future taxable income available to realize such assets. Deferred tax assets are recognized for timing differences of other items only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realized. Deferred tax assets and liabilities are offset if such items relates to taxes on income levied by the same governing tax laws and the company has a legally enforceable right for such set off. The effect on Deferred Tax Assets and Liabilities of a change in tax rates is recognized in the Statement of Profit & Loss in the year of substantive enactment of the change. Deferred tax assets are reviewed at each Balance Sheet date for their reliability.

## **I. Provisions and Contingent liability**

A provision is recognised when the company has a present legal or constructive obligation as a result of past events and if it is probable that an outflow of resources will be required to settle the obligation and in respect of which a reliable estimate can be made. A disclosure for a contingent liability is made when there is a possible obligation for a present obligation that may, probably will not, require an out flow of resources. Where there is a possible obligation or a present obligation but the likelihood of outflow of resources is remote no provision or disclosure as specified in Accounting Standard 29- : Provisions, Contingent Liabilities and Contingent Assets” is made. Contingent Assets are neither recognised nor disclosed in the Standalone Financial Statements.

### **m. Provisioning under Prudential Norms:**

- i. NPAs are identified and categorized according to the Guidelines issued by the Reserve Bank of India (RBI). Provisions are made against sub standard, doubtful and loss assets at the rates prescribed in the RBO guidelines, unless an accelerated provision/ write off is warranted on a case to cases basis where additional risks are identified by the management.
- ii. Provisioning for NPAs is dependent upon, inter alia, whether the NPS id secured or unsecured. Loans are considered as secured where the company has valid recourse to assets / recovery by pledge or mortgage of immovable properties and other assets.
- iii. Provision for Standard Assets is made on the outstanding standard assets in accordance with RBI guidelines.

### **n. Cash Flow Statement:**

Cash flow are reported using the indirect method, whereby profit /(loss) before tax is adjusted for the effects of the transactions on non cash nature and any deferrals or accruals of past or future cash receipts for payments. The cash flow from operating, investing and financing activities of the company is segregated based on available information. For the purpose of Cash flow statement, cash and cash equivalents includes fixed deposits which are freely remissible but excludes accrued interest on fixed deposits.

### **o. Earnings Per Share**

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

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.



## Notes to Standalone Financial Statements as at March 31, 2019

Notes to Financial Statements as at 31st March 2019						
				Amount in ₹		
				As at 31st March 2019	As at 31st March 2018	
2	(a)	<b>Share Capital</b>				
		<b>Authorised Share Capital</b>				
		4,70,00,000	Equity Shares of ₹ 10 each			
		(4,70,00,000)	Equity shares of ₹ 10 each)			
				470,000,000.00	470,000,000.00	
		<b>Issued, Subscribed &amp; Paid up</b>				
		4,63,97,120	Equity Shares of ₹ 10 each fully paid up			
		(4,37,78,080)	Equity shares of ₹ 10 each fully paid up)	463,971,200.00	437,780,800.00	
				463,971,200.00	437,780,800.00	
		The company has only one class of share capital i.e. Equity shares having face value of Rs 10/- per shares. Each shareholder of equity shares is entitled to one vote per shares.				
	(b)	The Reconciliation of the number of shares outstanding at the beginning and at the end of the accounting year				
		Particulars				
		Equity Shares at the beginning of the year			43,778,080	5,144,880
		Add: Shares issued on conversion of Debentures			327,380	327,380
		Add: Shares issued by way of bonus shares			2,291,660	38,305,820
		Less: Shares cancelled on buy back of Equity Shares			-	-
		Equity Shares at the end of the year			46,397,120	43,778,080
		Shareholders holding more than 5% of equity shares as at the end of the year				
S. No	Name of Shareholders	No. of Shares (%)				
		As at		As at		
		31st March 2019		31st March 2018		
1	Genesis Dream Merchants Private Limited	78,53,728 (16.93%)		62,82,304 (14.35%)		
2	Bhagwati Devi	45,06,880 (9.71%)		45,06,880 (10.29%)		
3	Sangeeta Garg	44,80,560 (9.66%)		44,80,560 (10.23%)		
4	Shashi Bala Garg	42,47,680 (9.16%)		NIL (0.00%)		
5	Prateet Garg	35,73,048 (7.70%)		35,73,048 (8.16%)		
6	Naresh Garg	35,48,480 (7.65%)		35,48,480 (8.10%)		
7	Sahil Garg	28,30,704 (6.10%)		28,30,704 (6.46%)		

	8	Nirmala Devi	27,92,000 (6.02%)	27,92,000 (6.37%)
	9	Vikas Garg	NIL (0.00%)	42,47,680 (9.70%)
3		<u>Reserve &amp; Surplus</u>		
		Securities Premium Reserve		
		As per last Balance Sheet	102,402,000.00	397,067,600.00
		Add: On issue of shares pursuant to conversion of Debentures	88,392,320.00	88,392,600.00
		Less: Issue of Bonus Shares	22,916,600.00	383,058,200.00
			167,877,720.00	102,402,000.00
		Less: Calls in arrears	-	-
		Total - A	167,877,720.00	102,402,000.00
		Statutory Reserve*		
		As per last Balance Sheet	30,350,000.00	24,450,000.00
		Add: Transferred from Profit and Loss Account	8,000,000.00	5,900,000.00
		Total - B	38,350,000.00	30,350,000.00
		Profit and Loss Account		
		As per last Balance Sheet	129,898,122.76	106,544,824.41
		Add : Profit during the year	43,074,654.31	29,253,298.35
			172,972,777.07	135,798,122.76
		Less: Appropriations		
		Transferred to General Reserve	8,000,000.00	5,900,000.00
		Total - C	164,972,777.07	129,898,122.76
		Total (A+B+C)	371,200,497.07	262,650,122.76
		The Company has not declared any dividend during last two financial years.		
		* The management has created statutory reserve of Rs 80,00,000/- (Previous year Rs 59,00,000/- ) as per the provisions of Section 45-IC of Reserve Bank of India Act,1934.		
4		<u>Loan Term Borrowings</u>		
		Secured		
	(a)	From Syndicate Bank - Loan 1	-	88,530,051.26
	(b)	From Syndicate Bank - Loan 2	-	85,983,767.12
	(c)	From State Bank of India	197,563,662.83	-
		(Secured against assignment of Loan Agreements and personal guarantees of two promoter directors of the company and		

		equitable mortgage of property owned by promoter directors.		
		Repayable in 60 monthly installments, Interest range 10 % to 12% p.a.)		
	(d)	Vehcile Loans from Bank & NBFCs	5,803,352.00	11,549,109.58
		(Secured against hypothecation of vehcile, repayable in 60		
		Equated Monthly Insallments , interest range 7.90% to 8.50% p.a.)		
		Total Secured Loans	203,367,014.83	186,062,927.96
		Less: Amount disclosed under head current liabilities (Note 7)	27,278,651.00	85,691,182.58
			176,088,363.83	100,371,745.38
		Unsecured		
		7% Privately Placed Compulsarily Convertible Debentures of Rs 280 each	-	91,666,120.00
		Loans from Companies	36,169,296.00	21,022,190.00
		Loans From Directors	39,222,488.00	38,320,573.00
			75,391,784.00	151,008,883.00
		<b>Total Long Term Borrowings</b>	<b>251,480,147.83</b>	<b>251,380,628.38</b>
5		<u>Long Term Provisions</u>		
		Provision for Employee Benefit-Gratuity (unfunded)	5,885,175.00	5,628,654.00
		Provision for Non Performing Assets	2,311,617.00	-
		Contingent Provision for Standard Assets	2,827,592.00	6,881,770.00
		Less: Amount Disclosed under head short term provisions (Note - 8)	1,026,331.00	2,450,228.00
			<b>9,998,053.00</b>	<b>10,060,196.00</b>
6		<u>Short Term Borrowings</u>		
		Loans repayable on demand		
		- Secured		
		From Syndicate Bank	-	84,650,500.90
		From State Bank of India	91,125,577.79	-
		(Against assignmy of Loan Agreements and personal guarantee		
		of two promoter directors of the company and equitable mortgage		
		of property owned by promoter directors), interest range 10.50% to 14% p.a.)		
			<b>91,125,577.79</b>	<b>84,650,500.90</b>
7		<u>Other Current Liabilities</u>		
		Expenses Payable	4,793,579.00	2,801,694.00

		Statutory Dues Payable	1,755,691.00	1,877,367.00
		Other Current Liabilities	-	3,000,000.00
		Advance received for sale of Fixed Assets	-	7,009,265.00
		Current maturity of long term loans	27,278,651.00	85,691,182.58
			<b>33,827,921.00</b>	<b>100,379,508.58</b>
8		<u>Short Term Provisions</u>		
		Provision for Contingencies of Standard Assets	1,026,331.00	2,450,228.00
		Provision for Non Performing Assets	490,000.00	-
		Provision for Taxation (Net of Tax paid)	10,276,518.57	4,277,292.14
			<b>11,792,849.57</b>	<b>6,727,520.14</b>

**GENESIS FINANCE COMPANY LIMITED**
**Note 9 Schedule of Fixed Assets as per Companies Act 2013 as on 31st March 2019**

Particulars	Gross Block as on 01.04.2018	Addition during the period	Deletion during the period	Gross Block as on 31.03.2019	Depreciation till 31.03.2018	Depreciation for the period ending 31.03.2019	Depreciation till 31.03.2019	WDV as on 31.03.2018	WDV as on 31.03.2019
<b>Office Equipments</b>									
Air-Conditioner	191,100.00	-	-	191,100.00	181,545.00	-	181,545.00	9,555.00	9,555.00
Cellular phone	25,500.00	-	-	25,500.00	24,225.00	-	24,225.00	1,275.00	1,275.00
iPhone	-	82,500.00	-	82,500.00	-	16,736.00	16,736.00	-	65,764.00
Counting Machine	33,750.00	-	-	33,750.00	32,061.00	-	32,061.00	1,689.00	1,689.00
EPBX	29,500.00	-	-	29,500.00	28,025.00	-	28,025.00	1,475.00	1,475.00
Fax Machine	33,358.00	-	-	33,358.00	31,690.10	-	31,690.10	1,667.90	1,667.90
Invertor	15,000.00	-	-	15,000.00	14,250.00	-	14,250.00	750.00	750.00
Office Equipment	148,450.00	-	-	148,450.00	141,027.00	-	141,027.00	7,423.00	7,423.00
Printer	60,042.74	-	-	60,042.74	3,781.00	14,566.00	18,347.00	56,261.74	41,695.74
Photostat	96,000.00	-	-	96,000.00	91,200.00	-	91,200.00	4,800.00	4,800.00
<b>Electrical installations and Equipment</b>									
Generator	158,000.00	-	-	158,000.00	150,100.00	-	150,100.00	7,900.00	7,900.00
<b>Motor Cars other than those used in business of running them on hire</b>									
Car	925,915.00	-	-	925,915.00	878,725.00	14,737.00	893,462.00	47,190.00	32,453.00
Car Merc	4,884,976.00	-	4,884,976.00	-	1,531,246.00	-	1,531,246.00	3,353,730.00	-
Car Merc	4,884,976.00	-	4,884,976.00	-	1,531,246.00	-	1,531,246.00	3,353,730.00	-
Car Audi	3,849,500.00	-	-	3,849,500.00	2,983,499.00	270,452.00	3,253,951.00	866,001.00	595,549.00
Car Merc	11,548,626.00	-	-	11,548,626.00	3,399,130.00	2,545,088.00	5,944,218.00	8,149,496.00	5,604,408.00
Car Creta	1,604,819.00	-	-	1,604,819.00	948,828.00	204,866.00	1,153,694.00	655,991.00	451,125.00
<b>Motor Cycles, scooter and other mopeds</b>									
Motor Cycle	62,318.00	-	-	62,318.00	29,524.00	8,490.00	38,014.00	32,794.00	24,304.00
<b>Computers - End user devices such as desktop, laptops, etc</b>									
Computer (New)	-	193,365.42	-	193,365.42	-	60,563.00	60,563.00	-	132,802.42
Computer/Software	3,508,390.00	-	-	3,508,390.00	3,327,842.61	-	3,327,842.61	180,547.39	180,547.39
<b>Furniture &amp; Fixtures</b>									
Furniture & Fixtures	225,000.00	-	-	225,000.00	213,750.00	-	213,750.00	11,250.00	11,250.00

Buildings (other than factory buildings) RCC Frame Structure									
Office Premises	100,000.00	-	-	100,000.00	51,896.00	2,343.00	54,239.00	48,104.00	45,761.00
<b>TOTAL</b>	<b>32,385,220.74</b>	<b>275,865.42</b>	<b>9,769,952.00</b>	<b>22,891,134.16</b>	<b>15,593,590.71</b>	<b>3,137,841.00</b>	<b>18,731,431.71</b>	<b>16,791,630.03</b>	<b>7,222,194.45</b>
Previous Year	20,776,552.00	11,608,668.74	-	32,385,220.74	8,418,152.71	7,175,438.00	15,593,590.71	-	16,791,630.03

## 19. Other notes

- a. Director remuneration paid by the company are as follows:

**Amount in ₹**

Particulars	FY 2018-19	FY 2017-18
Director remuneration for the year	76,50,000/-	75,55,800/-

- b. Auditor remuneration paid by the company are as follows:

**Amount in ₹**

Particulars	FY 2018-19	FY 2017-18
Auditor remuneration for the year*		
Statutory Audit Fees	1,00,000/-	
Tax Audit Fees	50,000/-	1,00,000/-
Other Matters including certification	50,000/-	Consolidated

- Excludes taxes as applicable.

- c. Details of foreign exchange earnings and outgo are as follows:

**Amount in ₹**

Particulars	FY 2018-19	FY 2017-18
Foreign exchange earnings for the year	NIL	NIL
Foreign exchange outgo for the year	NIL	NIL

- d. The activities of the company do not involve conservation of energy or absorption of technology.
- e. Deferred Tax Liabilities/ Assets have been provided in accordance with AS-22. The breakup of the deferred tax assets & liabilities are as under:-

Nature of Timing Difference	Deferred Tax Assets/ (Liabilities) as at 01-04-2018	Adjustment for the current year	Deferred Tax Assets/ (Liabilities) as at 01-04-2019
Depreciation	1278219	305647	1583866
Employees' Benefits	1550835	86421	1637256
<b>Total</b>	<b>2829054</b>	<b>392068</b>	<b>3221122</b>

- f. As per Accounting Standard (AS-20) on Earning per share (EPS) issued by the ICAI, the particulars of EPS for the equity shareholders are as follows:-

S.No.	Particulars	Current Year 2018-19	Previous Year 2017-18
1	Net Profit as per Profit & Loss Account	3,98,62,983	2,92,53,298
2	Average No of Equity Shares as denomination for calculating EPS (Basic)	46397120	43778080
3	E.P.S. (Basic) Rs	0.86	0.67
4	Revised Net Profit as per Profit & Loss Account for diluted EPS	3,98,62,983	33901985
4	Average No of Equity Shares as denomination for calculating EPS (Diluted)	46397120	44432840
5	E.P.S.(Diluted) Rs	0.86	0.76
6	Face Value of each equity share	10	10

- g. During the current financial year the company has issued 3, 27,380 Equity Shares of Rs. 10 each at a premium of Rs. 270 per share against conversion of 3,27,380 convertible debentures. The company has also issued 22,91,660 Equity Shares of Rs 10/- each as bonus shares to the shareholders who have been allotted 3,27,380 Equity Shares against convertible debentures.
- h. As per information available with the company, no amount is due to any undertaking/ enterprises covered under the Micro, small and Medium Enterprises Development Act, 2006.
- i. Since the company is dealing in one segment, no separate reporting is given.

**j. Contingent Liabilities:**

- i. Claims against the company not acknowledged as debts- NIL (Previous Year NIL)
- ii. Guarantees to Banks and financial institutions against credit facilities extended to third parties- NIL(Previous Year NIL)
- iii. Other Money for which the company is contingently liable :-
  - a) Income Tax:

Assessment Year	Demand (Rs)	Deposit under protest (Rs)	Status/ forum where appeal is pending)
2012-13	355,030	NIL	Relief given by CIT (A), appeal effect not yet given by assessing officer.

2013-14	10,42,230	NIL	Appeal pending with CIT (A), Delhi
2017-18	82,40,070	NIL	Rectification pending with assessing officer for credit for TDS

- b) T D S: There is demand of Rs 84,807 shown as default in TDS pertaining to Assessment Year 2008-09. The company is trying to get the details of the same from the department and will take appropriate action on receipt of the information. As the amount is insignificant, no provision for the same has been made.

#### h. Related Party Transactions during the year

Amount in ₹

Party Name	Relationship	Transaction detail	FY 2018-19	FY 2017-18
Kaizen Realtors Private Limited	Company in which key management personnel is interested	Conversion of 44,642(44,643) debentures into equity shares at Rs.280 each	1,24,99,760	1,25,00,000
		Loan repaid by the company	2,71,649	5,00,000
		Loan taken by the company	3,00,000	21,92,039
		Closing balance for the year	19,86,377	17,71,649
		Interest paid on loan taken	2,07,086	79,610
		Interest paid on debentures	-	17,83,801
Genesis Dream Merchants Private Limited	Company in which key management personnel is interested	Conversion of 1,96,428(1,96,428) debentures into equity shares at Rs. 280 each	5,49,99,840	5,49,99,840
		Loan repaid by the company	14,42,00,000	-
		Loan taken by the company	15,08,00,000	-
		Closing Balance for the year	1,16,58,036	-
		Interest paid on loan taken	56,20,040	-
		Interest paid on debentures	-	78,48,764
Prateet Garg	Relative of key management personnel	Conversion of 53,571 debentures into equity shares at Rs.280 each	Debitures transferred to Expo Thermocontrols Pvt Ltd	1,49,99,880
		Interest paid on debentures	-	16,19,776



Sahil Garg	Relative of key management personnel	Conversion of 32,738 debentures into equity shares at Rs.280 each	Debentures transferred to Expo Thermocontrols Pvt Ltd	91,66,640
		Interest paid on debentures	-	9,89,868
		Professional Charges Paid	15,00,000	-
Naresh Garg	Key management personnel	Director remuneration paid	42,00,000	42,00,000
		Loan repaid by the company	1,23,06,023	3,06,43,773
		loan taken by the company	95,29,890	5,30,64,346
		Closing balance for the year	2,19,93,831	2,24,20,573
		Interest paid on loan taken	26,10,435	12,08,868
Sangeeta Garg	Key management personnel	Director remuneration paid	30,00,000	30,00,000
		Loan repaid by the company	32,19,800	1,54,60,000
		Loan taken by the company	28,39,800	1,54,60,000
		Closing balance for the year	1,72,28,657	1,59,00,000
		Interest paid on loan taken	18,98,508	7,22,900
Gopal Bisht	Key management personnel (CFO)	Director remuneration paid	4,50,000	3,85,800
Neeti Alwani	Key management personnel (Company Secretary)	Remuneration Paid	2,04,000	17,000

**Note 20.** As required in terms of Paragraph 13 of Non-Banking Financial (Non Deposit Accepting or Holding) Companies Prudential Norms (Reserve Banks) Directions, 2007

<b>Liabilities Side</b>				
Serial No.	Particulars		Amounts in Rs Lakhs	
			Amount Outstanding	Amount Outstanding
1	Loans and advances availed by NBFC inclusive of Interest Accrued thereon but not paid			
	(a)	Debentures		
		-Secured	Nil	Nil
		-Unsecured	Nil	Nil
		(Other than falling within the meaning of public deposits*)		
	(b)	Deferred Credits	Nil	Nil
	(c)	Term Loans	2,033.67	Nil

	(d)	Inter-Corporate Loans and borrowings	753.92	Nil
	(e)	Commercial Paper	Nil	Nil
	(f)	Public Deposits	Nil	Nil
	(g)	Cash Credit/Working Capital Limit from Bank	911.26	Nil
2.	Break-up of (1) (f) above (Outstanding public deposits inclusive of interest accrued)			
	(a)	In the form of unsecured debentures	Nil	Nil
	(b)	In the form of secured debentures i.e. debentures where there is a shortfall	Nil	Nil
	(c)	Other public deposit	Nil	Nil
<b>Assets Side</b>				
3	Break-up of Loans and Advances including Bills receivables (other than those including in (4) below:			
	(a)	Secured		
		Long Term		6,955.84
		Short Term		3,997.28
		Sub Total		10,953.12
	(b)	Unsecured		
		Long Term		416.25
		Short Term		157.04
		Sub Total		573.29
		<b>Total</b>		<b>11,526.41</b>
4	Break-up of leased Assets and Stock on hire and hypothecation loan toward EL/HP activities			
	(i)	Lease assets including lease rentals under sundry debtors		Nil
	(ii)	Stock on hire including hire charges under sundry debtors		Nil
	(iii)	Hypothecation loans counting toward EL/HP activities		Nil
5	Break-up of investments			
	<u>Current Investments*</u>			
	1	Quoted		
		(i) Shares		
		(a) Equity		Nil
		(b) Preference		Nil
		(ii) Debentures and Bonds		Nil
		(iii) Units of mutual funds		Nil
		(iv) Government Securities		Nil
		(v) Others (please specify)		Nil
	2	Unquoted		
		(i) Shares		
		(c) Equity		Nil
		(d) Preference		Nil
		(ii) Debentures and Bonds		Nil
		(iii) Units of mutual funds		Nil
		(iv) Government Securities		Nil

		(v) Others (please specify)	Nil		
<u>Long Term Investments</u>					
	1	Quoted			
		(i) Shares (e) Equity (f) Preference	Nil Nil Nil		
		(ii) Debentures and Bonds	Nil		
		(iii) Units of mutual funds	Nil		
		(iv) Government Securities	Nil		
		(v) Others (please specify)	Nil		
	2	Unquoted			
		(i) Shares (g) Equity (h) Preference	Nil Nil Nil		
		(ii) Debentures and Bonds	Nil		
		(iii) Units of mutual funds	Nil		
		(iv) Government Securities	Nil		
		(v) Others (please specify)	Nil		
6	Borrower group-wise classification of all leased assets, stock on hire and loans and advances below			Please see note 2	
	1	Related Parties**	Amount net of provisions		
			Secured	Unsecured	Total
		(a) Subsidiaries	Nil	Nil	Nil
		(b) Companies in the same group	Nil	Nil	Nil
		(c) Other related parties	Nil	Nil	Nil
	2	Other than related parties	10,932.23	566.17	11,498.40
		<b>Total</b>	<b>10,932.23</b>	<b>566.17</b>	<b>11,498.40</b>
7	Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):				
	Category				
	1	Related Parties**			
		(a) Subsidiaries	Nil		
		(b) Companies in the same group	Nil		
		(c) Other related parties	Nil		
	2	Other than related parties	Nil		
		<b>Total</b>	Nil		
** As per Accounting Standard 18 of ICAI					
8	Other Information				Amount
	(i)	Gross Non-Performing Assets			
		(a) Related Parties	Nil		
		(b) Other than related parties	216.05		
	(ii)	Net Non-Performing Assets			
		(a) Related Parties	Nil		
		(b) Other than Related Parties	188.03		
	(iii)	Assets acquired in satisfaction of debts			Nil

**For MC Jain & Co**  
Chartered Accountants  
FRN 304012E

**Sd/-**  
**CA Sahil Singla**  
Partner  
MN 055030

**for and on behalf of the Board**

**Sd/-**  
**Naresh Garg**  
Managing Director  
DIN: 00916814

**Sd/-**  
**Sangeeta Garg**  
Whole Time Director  
DIN: 01117956

**Sd/-**  
**Gopal Bisht**  
Chief Financial Officer  
DIN: 00597160

**Sd/-**  
**Neeti Alwani**  
Company Secretary  
M.No A 45231



