

P K Soni & Co. - Chartered Accountants CA

14/14, Lower Ground Floor, Kalkaji, New Delhi - 110019 Ph. 40569400

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF
THE GENESIS FINANCE COMPANY LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **THE GENESIS FINANCE COMPANY LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss, the Cash Flow Statement 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 including cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under section 133 of the Act.

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.

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 unqualified audit opinion on the standalone financial statements.

Unqualified 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 principles generally accepted in India of the state of affairs of the Company as at 31st March, 2017, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and referred to in the Other Matters paragraphs above 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, 2017, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017, 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 a unqualified opinion on the 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.
 - iv. The Company has provided requisite disclosures in the standalone Financial statements as regards its holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the 8th



November, 2016 of the Ministry of Finance, during the period from 8th November 2016 to 30th December 2016. Based on audit procedures performed and the representations provided to us by the management we report that the disclosures are in accordance with the books of account maintained by the Company. (Refer note 21)

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 **P. K SONI & CO.**
Chartered Accountants
(Firm's Registration No. **010248N**)


PAWAN KUMAR SONI
Proprietor
(Membership No. **052849**)
NEW DELHI, 29th August, 2017



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)

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 **THE GENESIS FINANCE COMPANY LIMITED** ("the Company") as of 31st March, 2017 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 on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India 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 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 qualified 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.

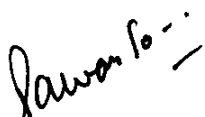
Inherent Limitations of Internal Financial Controls Over Financial Reporting

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.

Unqualified 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, 2017, 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", the Company's internal financial controls over financial reporting were operating effectively as of 31st March, 2017.

For **P. K SONI & CO.**
Chartered Accountants
(Firm's Registration No. **010248N**)


PAWAN KUMAR SONI
Proprietor
(Membership No. **052849**)
NEW DELHI, 29th August, 2017



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)

(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.

(ii) The company is a service company, primarily engaged in financing activities, it does not hold any inventories and as such paragraph 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) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

(v) According to the information and explanations given to us, the Company has not accepted any deposit from public 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, including provident fund, employees' state insurance, income-tax, sales tax, service tax, customs duty, excise duty, value added tax, cess 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, 2017 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, 2017 on account of disputes are given below:

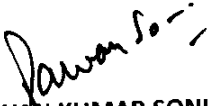
Name of Statute	Assessment Year	Amount	Reason for non deposit
Income tax	2006-07	1,190	Rectification pending with AO
Income tax	2012-13	3,55,030	Rectification pending with AO
Income tax	2013-14	10,42,230	Appeal pending with CIT
Income tax	2014-15	1,43,670	Applied to CPC for intimation as the reason for demand is not known
Income tax	2015-16	27,02,610	Applied to CPC for intimation as the reason for demand is not known

- (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 did not raise money by way of initial public offer/ further public offer.
- (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 CARO 2016 Order is 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 issued 7% Compulsorily Convertible Debentures out of which one third have been converted into equity shares. According to the information given to us by the management the requirements of section 42 of the act have been complied by the company.
- b) As per information given by the management and on the basis of records made available to us, the proceeds of debentures has been used for the purpose for which these were raised.



- (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 **P. K SONI & CO.**
Chartered Accountants
(Firm's Registration No. **010248N**)


PAWAN KUMAR SONI
Proprietor
(Membership No. **052849**)
NEW DELHI, 29th August, 2017



S No.	Particulars	Note	As at 31st March, 2017	As at 31st March, 2016
EQUITY AND LIABILITIES				
I Shareholder's Funds				
a)	Share Capital	1	5,14,48,800.00	4,81,75,000.00
b)	Reserves and Surplus	2	52,80,62,424.41	41,11,92,584.80
			57,95,11,224.41	45,93,67,584.80
II Share application money pending allotment				
III Non-Current Liabilities				
a)	Long-Term Borrowings	3	40,99,84,455.90	35,85,07,206.14
b)	Long Term Provisions	4	40,56,346.00	40,56,346.00
			41,40,40,801.90	36,25,63,552.14
IV Current Liabilities				
a)	Short-Term Borrowings	5	9,59,66,695.47	11,17,38,612.90
b)	Other Current Liabilities	6	9,42,37,473.80	8,63,23,200.31
c)	Short-Term Provisions	7	97,56,097.26	25,62,945.00
			19,99,60,266.53	20,06,24,758.21
Total			1,19,35,12,292.84	1,02,25,55,895.15

ASSETS

I Non-current assets

Fixed assets

a)	Tangible Assets	8	1,23,58,399.29	46,18,822.31
b)	Intangible Assets		-	-
c)	Capital work-in-progress		-	-
d)	Intangible assets under development		-	-
e)	Non-current Investments	9	-	9,54,57,169.00
f)	Deferred tax assets (net)	10	17,60,293.73	19,28,256.44
g)	Long Term Loans and Advances	11	40,52,52,020.00	43,14,64,863.00
h)	Other Non-current Assets		-	-
			41,93,70,713.02	53,34,69,110.75

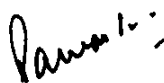
II Current assets

a)	Cash and cash equivalents	12	47,325.00	1,96,783.00
b)	Short-Term Loans and Advances	13	76,69,70,319.82	42,28,50,030.09
c)	Other Current Assets	14	71,23,935.00	6,60,39,971.31
			77,41,41,579.82	48,90,86,784.40
Total			1,19,35,12,292.84	1,02,25,55,895.15

Significant Accounting Policies
Notes on Financial Statements
As per our Report of even date.

1 to 21

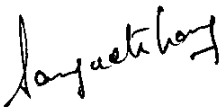
For P. K SONI & CO.
Chartered Accountants
(Firm's Registration No. 010248N)


Pawan Kumar Soni
Proprietor
(Membership No. 052849)
New Delhi, 29th August, 2017



for and on behalf of the Board


Naresh Garg
Managing
Director
DIN: 00916814


Sangeeta Garg
Whole Time
Director
DIN: 01117956

GENESIS FINANCE COMPANY LIMITED
Cash Flow Statement for the year ending March 31, 2017



Particulars	Amount in Rupees	
	F.Y - 2016-17	F.Y - 2015-16
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit Before Tax	<u>4,64,85,254.33</u>	<u>3,60,92,144.90</u>
Adjustments for :		
Depreciation	11,08,693.26	18,13,235.70
Retirement Benefits		
Less: Profit on sale of Asset and Investment	<u>13,79,687.24</u>	<u>35,636.84</u>
	<u>(2,70,993.98)</u>	<u>17,77,598.86</u>
Operating Profit Before Working Capital Changes	4,62,14,260.35	3,78,69,743.76
Changes in Working Capital :		
Increase/ (Decrease) in Short-Term Provisions	-	-
Increase/ (Decrease) in Other Current Liabilities	79,14,273.49	(3,93,423.71)
(Increase) / Decrease in Long-Term Loans and Advances	2,62,12,843.00	(13,15,48,898.23)
(Increase) / Decrease in Short-Term Loans and Advances	(34,41,20,289.73)	(11,80,26,874.47)
(Increase) / Decrease in Other Current Assets	5,59,52,154.01	2,45,65,901.99
(Increase) / Decrease Stock of Acquired and /or Developed Properties Investments (Net)	-	(1,06,71,761.00)
Cash Generated from Operations	(20,78,26,758.88)	(19,82,05,311.66)
Taxes paid (net of refunds)	76,83,020.45	1,28,62,660.75
Net Cash from Operations	(21,55,09,779.33)	(21,10,67,972.41)
Net Cash Generated from Operations	(21,55,09,779.33)	(21,10,67,972.41)
Extraordinary Items	-	-
Net Cash Generated from Operating Activities	(21,55,09,779.33)	(21,10,67,972.41)
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Tangible / Intangible Assets(Net)	(97,69,952.00)	(16,67,137.00)
Sale of Tangible / Intangible Assets(Net)	10,00,000.00	16,19,500.00
Sale of Non current Investments	9,67,58,541.00	-
Net Cash from Investing Activities	8,79,88,589.00	(47,637.00)
C CASH FLOW FROM FINANCEING ACTIVITIES		
Share Application Money Received Pending Allotment		
Proceeds from Share allotment	32,73,800.00	-
Proceeds from Debentures allotment	18,33,32,520.00	-
Securities Premium received	8,83,92,600.00	-
Availment (Repayment) of Long-Term Borrowings(Net of repayments)	(13,18,55,270.24)	16,60,04,171.21
Availment (Repayment) of Short-Term Borrowings	(1,57,71,917.43)	4,49,39,696.20
Net Cash used in Financing Activities	12,73,71,732.33	21,09,43,867.41
Net increase in Cash and Cash Equivalents	(1,49,458.00)	(1,71,742.00)
Cash and Cash Equivalents at the Beginning of the Year	1,96,783.00	3,68,525.00
Cash and Cash Equivalents at the end of the year	47,325.00	1,96,783.00
Cash and Cash Equivalents comprises of :		
Cash on Hand	47,325.00	1,96,783.00
Cheques on Hand	-	-
Balances with Banks- Highly liquid investments	-	-
Total		

The accompanying notes are an integral part of the financial statements.
As per our report of even date attached
As per our Report of even date.

For P. K SONI & CO.
Chartered Accountants
(Firm's Registration No. 010248N)

Pawan Soni
Pawan Kumar Soni
Proprietor
(Membership No. 052849)
New Delhi, 29th August, 2017



for and on behalf of the Board

Maresh Garg
Maresh Garg
Managing
Director
DIN: 00916814

Sangeeta Garg
Sangeeta Garg
Whole Time
Director
DIN: 01117956

GENESIS FINANCE COMPANY LIMITED

Notes to Standalone Financial Statements for the year ended 31st March, 2017


 Amount in Rupees
 As at 31st March,
 2016

 As at 31st March,
 2017

1 a Share Capital
Authorised Share Capital

 60,00,000 Equity Shares of Rs. 10 each
 (50,00,000 Equity shares of Rs 10 each)

6,00,00,000.00

5,00,00,000.00

Issued, Subscribed & Paid up

 51,44,880 Equity Shares of Rs. 10 each fully paid up
 (48,17,500 Equity shares of Rs. 10 each fully paid up)

5,14,48,800.00

4,81,75,000.00

5,14,48,800.00

4,81,75,000.00

The Details of Shareholders holding more than 5% shares

b Name of the Shareholder	%	No. of Shares held	
		on 31st March 2017	on 31st March 2016
MRS SANGEETA GARG	10.89	5,60,070	5,60,070
MRS BHAGWATI DEVI	10.85	5,58,360	5,58,460
MR NARESH GARG	8.62	4,43,560	4,43,560
MR PRATEET GARG	8.68	4,46,631	-
MR SAHIL GARG	6.88	3,53,838	3,21,100
MRS NIRMALA DEVI	6.78	3,49,000	-
MR VIKAS GARG	10.32	5,30,960	-
GENESIS DREAM MERCHANTS PVT LTD	11.45	5,88,860	3,92,432
AMLA SECURITIES LTD	0.00	-	4,00,000

c The Reconciliation of the number of shares outstanding is set out below:

Particulars		
Equity Shares at the beginning of the year	48,17,500	48,17,500
Add: Shares issued on conversion of Debentures	3,27,380	-
Add: Shares issued on exercise of Employee Stock options	-	-
Less: Shares cancelled on buy back of Equity Shares	-	-
Equity Shares at the end of the year	51,44,880	48,17,500

2 Reserve & Surplus
Securities Premium Reserve

 As per last Balance Sheet
 Add: On issue of shares pursuant to conversion of Debentures

30,86,75,000.00

30,86,75,000.00

8,83,92,600.00

39,70,67,600.00

30,86,75,000.00

Less: Calls in arrears

Total - A

39,70,67,600.00

30,86,75,000.00

General Reserve U/s 451C of RBI Act

 As per last Balance Sheet
 Add: Transferred from Profit and Loss Account

1,86,50,000.00

1,40,00,000.00

58,00,000.00

46,50,000.00

2,44,50,000.00

1,86,50,000.00

Total - B
Profit and Loss Account

 As per last Balance Sheet
 Less : Retained Earning effect of fixed assets
 Add : Profit during the year

8,38,67,587.79

6,52,70,093.93

2,84,77,236.62

2,32,47,490.87

11,23,44,824.41

8,85,17,584.80

Less: Appropriations

Transferred to General Reserve

58,00,000.00

46,50,000.00

Total - C

10,65,44,824.41

8,38,67,584.80

Total (A+B+C)
52,80,62,424.41
41,11,92,584.80

The Company has not declared any dividend during last two financial years.



GENESIS FINANCE COMPANY LIMITED

Notes to Standalone Financial Statements for the year ended 31st March, 2017


**GENESIS
FINANCE
COMPANY
LIMITED**
Amount in Rupees
As at 31st March,
2016

	As at 31st March, 2017	As at 31st March, 2016
3		
<u>Loan Term Borrowings</u>		
Secured		
(a) From Syndicate Bank - Loan 1	8,87,74,178.01	14,16,66,662.34
(b) From Syndicate Bank - Loan 2 (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.)	8,60,57,095.89	11,75,00,000.00
(c) From ICICI Bank	-	7,05,177.80
(d) From Daimler Financial Services India Pvt Ltd (Against hypothecation of Mercedes Car) Total Secured Loans	72,31,800.00 18,20,63,073.90	- 25,98,71,840.14
Unsecured		
7% Privately Placed Compulsarily Convertible Debentures of Rs 260 each	18,33,32,520.00	-
Loans from Companies	2,81,71,300.00	-
Loans From Directors	1,64,17,562.00	9,86,35,366.00
	22,79,21,382.00	9,86,35,366.00
Total Long Term Borrowings	40,99,84,455.90	35,85,07,206.14
4		
<u>Long Term Provisions</u>		
Provision for Employee Benefit-Gratuity (unfunded)	40,56,346.00	40,56,346.00
	40,56,346.00	40,56,346.00
5		
<u>Short Term Borrowings</u>		
Loans repayable on demand		
- Secured		
- From Syndicate Bank (Against assignment of Loan Agreements and personal guarantees of two promoter directors of the company and equitable mortgage of property owned by promoter directors)	9,59,66,695.47	11,17,38,612.90
	9,59,66,695.47	11,17,38,612.90
6		
<u>Other Current Liabilities</u>		
Expenses Payable	46,28,160.00	39,97,960.10
TDS Payable	14,42,737.00	10,97,661.00
Service Tax Payable	1,99,261.00	-
Other Current Liabilities	62,73,938.00	-
Current maturity of long term loans	8,16,93,377.80	8,12,27,579.21
	9,42,37,473.80	8,63,23,200.31
7		
<u>Short Term Provisions</u>		
Provision for Standard Assets	41,03,000.00	25,62,945.00
Provision for Taxation (Net of TDS)	56,53,097.26	-
	97,56,097.26	25,62,945.00



GENESIS FINANCE COMPANY LIMITED



Amount in Rupees

Note 8 Depreciation as per Companies Act 2013

Particulars	Gross Block as on 31.03.2016	Addition during the year	Deletion during the year	Gross Block as on 31.03.2017	Depreciation till 31.03.2016	Depreciation for the year	Depreciation till 31.03.2017	WDV as on 31/03/2016	WDV as on 31/03/2017
Office Equipments									
Air-Conditioner	1,91,100.00	-	-	1,91,100.00	1,81,545.00	-	1,81,545.00	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
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
Inverter	15,000.00	-	-	15,000.00	14,250.00	-	14,250.00	750.00	750.00
Office Equipment	1,48,450.00	-	-	1,48,450.00	1,41,027.00	-	1,41,027.00	7,423.00	7,423.00
Photostat	96,000.00	-	-	96,000.00	91,200.00	-	91,200.00	4,800.00	4,800.00
Electrical installations and Equipment									
Generator	1,58,000.00	-	-	1,58,000.00	1,50,100.00	-	1,50,100.00	7,900.00	7,900.00
Motor Cars other than those used in business of running them on hire									
Car	9,25,915.00	-	-	9,25,915.00	7,80,809.54	76,485.46	8,57,295.00	1,45,105.46	68,620.00
Car BMW	39,27,000.00	-	39,27,000.00	-	30,05,315.24	-	30,05,315.24	9,21,684.76	-
Car Merc	-	48,84,976.00	-	48,84,976.00	-	8,242.00	8,242.00	-	48,76,734.00
Car Merc	-	48,84,976.00	-	48,84,976.00	-	8,242.00	8,242.00	-	48,76,734.00
Car Audi	38,49,500.00	-	-	38,49,500.00	20,18,365.30	5,71,863.70	25,90,229.00	18,31,134.70	12,59,271.00
Car Creta	16,04,819.00	-	-	16,04,819.00	2,26,563.07	4,24,365.93	6,50,929.00	13,78,255.93	9,53,890.00
Motor Cycles, scooter and other mopeds									
Motor Cycle	62,318.00	-	-	62,318.00	2,607.98	15,459.02	18,067.00	59,710.02	44,251.00
Computers - End user devices such as desktop, laptops, etc									
Computer/Software	35,08,390.00	-	-	35,08,390.00	33,27,842.61	-	33,27,842.61	1,80,547.39	1,80,547.39
Furniture & Fixtures									
Furniture & Fixtures	2,25,000.00	-	-	2,25,000.00	2,13,750.00	-	2,13,750.00	11,250.00	11,250.00
Buildings (other than factory buildings) RCC Frame Structure									
Office Premises	1,00,000.00	-	-	1,00,000.00	45,397.85	4,035.15	49,433.00	54,602.15	50,567.00
TOTAL	1,49,33,600.00	97,69,952.00	39,27,000.00	2,07,76,552.00	1,03,14,774.69	11,08,693.26	1,14,23,467.95	46,18,825.31	1,23,58,399.29



GENESIS FINANCE COMPANY LIMITED

Notes to Standalone Financial Statements for the year ended 31st March, 2017



Amount in Rupees
As at 31st March,
2016

	As at 31st March, 2017	As at 31st March, 2016
9		
<u>Non Current Investments</u>		
<u>Long Term Investments</u>		
Investment in Property bearing No. 1923A, Mangolia, DLF, Gurgaon and paid the consideration in terms of Agreement to Sell. The same is yet to be transferred in the name of the company as the builder (DLF Ltd.) is yet to start the transfer/execution of Conveyance Deed.	-	9,54,57,169.00
	<u>-</u>	<u>9,54,57,169.00</u>
10		
<u>Deferred Tax Assets (Net)</u>		
Related to Fixed Assets	4,19,144.00	5,87,106.71
Disallowances under the Income Tax Act, 1961	13,41,149.73	13,41,149.73
	<u>17,60,293.73</u>	<u>19,28,256.44</u>
11		
<u>Long Term Loans and Advances</u>		
Loans and Advances to related parties	40,52,52,020.00	43,14,64,863.00
Other Loans and Advances	<u>40,52,52,020.00</u>	<u>43,14,64,863.00</u>
<u>Sub-classification of Long Term Loans and Advances</u>		
Secured, considered good	28,82,69,287.00	31,86,50,270.00
Unsecured, considered good	11,69,82,733.00	11,28,14,593.00
Doubtful	<u>40,52,52,020.00</u>	<u>43,14,64,863.00</u>
12		
<u>Cash and Cash equivalents</u>		
Balance with Banks	47,325.00	1,96,783.00
Cash in hand (as certified by a director)	<u>47,325.00</u>	<u>1,96,783.00</u>
13		
<u>Short Term Loans & Advances</u>		
Loans and advances	76,69,70,319.82	42,28,50,030.09
	<u>76,69,70,319.82</u>	<u>42,28,50,030.09</u>
<u>Sub-classification of Loans and Advances</u>		
Secured, considered good	50,16,41,393.82	31,67,98,031.09
Unsecured, considered good	26,53,28,926.00	10,60,51,999.00
Doubtful	<u>76,69,70,319.82</u>	<u>42,28,50,030.09</u>
<u>Sub-classification of Loans and Advances</u>		
Due from Directors, Officer or parties in which they are interested	76,69,70,319.82	42,28,50,030.09
Other	<u>76,69,70,319.82</u>	<u>42,28,50,030.09</u>
14		
<u>Other Current Assets</u>		
TDS and Advance Tax (net of provision for tax)	71,23,935.00	25,86,157.30
Other Current Assets	<u>71,23,935.00</u>	<u>6,34,53,814.01</u>
	<u>71,23,935.00</u>	<u>6,60,39,971.31</u>



GENESIS FINANCE COMPANY LIMITED



Notes to Standalone Financial Statements as at March 31, 2017

20. 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 financing for more than twenty years. Its shares are listed on Delhi Stock Exchange.

21. 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

The accounts are prepared on the accrual concept of accounting under the historical cost convention and on the basis of a going concern.

b. Provisions and Contingent liability

A provision is recognised for a present obligation as a result of past events 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. Provisions are not discounted to its present value and are determined based on best estimate of the amount required to settle the obligation at the Balance Sheet date. A contingent liability is disclosed, unless the possibility of an outflow of resources is remote.

c. Fixed Assets

Fixed Assets are stated at cost of acquisition inclusive of inward freight, duties and taxes and incidental expenses relating to acquisition.

d. Depreciation

Depreciation is being 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 is charged on pro-rata basis relating to period of use of such assets.

e. Revenue Recognition

Interest income on loan financing is accounted for on accrual basis.
Management fees and charges on delayed payments are accounted for on received basis

f. 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.

g. Employees Benefit

Provision for gratuity is made on estimated basis.



Notes to Standalone Financial Statements as at March 31, 2017

h. Cash and cash equivalents

Cash and Bank balances in the Balance Sheet comprises of cash at bank including fixed deposits, cheques in hand and cash on hand.

As per the requirements of the MCA notification G.S.R 308(E) on 30th March 2017 the details of Specified Bank Notes(SBN) and Other Denomination Notes (ODN) is given below:

	Amount in Rs		
	SBN	ODN	Total
Closing cash balance on 08-11-16	21,74,000.00	4,85,588.00	26,59,588.00
(+) Amount withdrawn from bank	-	50,000.00	50,000.00
(+) Permitted receipts	-	-	-
(-) Permitted payments	-	3,82,450.00	3,82,450.00
(-) Amount deposited in bank	21,74,000.00	-	21,74,000.00
Closing cash balance on 31-12-16	-	1,53,138.00	1,53,138.00

i. Taxation

Provision for Income Tax is made on the assessable income at the tax rate applicable to the relevant assessment year. Deferred Income Taxes are recognized for the future tax consequences attributable to timing differences between the financial statement determination of income and their recognition for tax purposes. The effect on deferred tax assets and liabilities of change in tax rates is recognized in income using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognized and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

j. 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.

k. During the year the company issued 8,83,925 number of 7% compulsorily convertible debentures of Rs. 280 each amounting to Rs. 27,50,00,000.00 to various persons/ entities. The same has to be converted in equal number of equity shares of Rs. 10 each at a premium of Rs. 270 in three instalments. Out of the above issued debentures one third have been converted in the financial year ending 31st March 2017.

l. Previous year's figures have been restated / rearranged wherever considered necessary.



GENESIS FINANCE COMPANY LIMITED



Notes to Standalone Financial Statements as at March 31, 2017

22. Other notes

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

Amount in Rupees

Particulars	FY 2016-17	FY 2015-16
Director remuneration for the year	75,55,800.00	75,00,000.00

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

Amount in Rupees

Particulars	FY 2016-17	FY 2015-16
Auditor remuneration for the year	1,00,000.00	1,00,000.00

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

Amount in Rupees

Particulars	FY 2016-17	FY 2015-16
Foreign exchange earnings for the year	NIL	NIL
Foreign exchange outgo for the year	NIL	NIL

- d. Contingent Liabilities not provided for Disputed Income Tax Demand:

Amount in Rupees

Particulars	FY 2016-17	FY 2015-16
Contingent liabilities for the year	42,44,730.00	16,35,700.00

There is income tax demand of Rs 1,190/- for Assessment Year 2006-07 , Rs 3,55,030/- for Assessment Year 2012-13 , Rs 10,42,230/- for Assessment Year 2013-14, Rs 1,43,670/- for Assessment Year 2014-15 and Rs 27,02,610/- for Assessment Year 2015-16 as per the department. The company has obtained relief from CIT (A) for Assessment Year 2006-07 and Assessment Year 2012-13 for which effect is to be given by the department. For Assessment Year 2013-14, the appeal is pending before CIT (A), as the company has got relief from CIT (A) in earlier years and the issues are same, hence the company is hopeful of getting relief in this year also and accordingly in the opinion of management no provision is required for the outstanding demand.

- e. There are no claims against the Company not acknowledged as debts during the current financial year.
- f. There are no contracts remaining to be executed on capital account and not provided for during the current financial year.



GENESIS FINANCE COMPANY LIMITED

Notes to the Financial Statements for the year ended 31st March, 2017



i. Related Party transactions during the year

Amount in Rupees

Party Name	Relationship	Transaction detail	FY 2016-17
Kaizen Realtors Private Limited	Company in which key management personnel is interested	Issue of 7% convertible debentures	3,75,00,000.00
		Conversion of 44,643 debentures into equity shares at Rs. 280 each.	1,25,00,040.00
		Interest paid on debentures	12,39,248.00
Genesis Dream Merchants Private Limited	Company in which key management personnel is interested	Issue of 7% convertible debentures	16,50,00,000.00
		Conversion of 1,96,428 debentures into equity shares at Rs. 280 each.	5,49,99,840.00
		Interest paid on debentures	52,46,176.00
Prateet Garg	Relative of key management personnel	Issue of 7% convertible debentures	4,50,00,000.00
		Conversion of 53,571 debentures into equity shares at Rs. 280 each.	1,49,99,880.00
		Interest paid on debentures	14,16,029.00
Sahil Garg	Relative of key management personnel	Issue of 7% convertible debentures	2,75,00,000.00
		Conversion of 32,738 debentures into equity shares at Rs. 280 each.	91,66,640.00
		Interest paid on debentures	8,65,356.00
Naresh Garg	Key management personnel	Director remuneration paid	42,00,000.00
		Loan repaid by the company	6,54,82,557.00
		Loan taken by the company	64,17,562.00
		Maximum outstanding during the year	6,54,82,557.00
		Closing balance for the year	64,17,562.00
		Closing balance for the previous year	6,54,82,557.00
		Interest paid on loan taken	28,97,699.00
Sangeeta Garg	Key management personnel	Director remuneration paid	30,00,000.00
		Loan repaid by the company	3,51,52,809.00
		Loan taken by the company	1,00,00,000.00
		Maximum outstanding during the year	3,51,52,809.00
		Closing balance for the year	1,00,00,000.00
		Closing balance for the previous year	3,51,52,809.00
		Interest paid on loan taken	12,12,273.00

For P. K SONI & CO.

Chartered Accountants

(Firm's Registration No. 010248N)

Pawan Kumar Soni

Pawan Kumar Soni

Proprietor

(Membership No. 052849)

New Delhi, 29th August, 2017



for and on behalf of the Board

Naresh Garg

Naresh Garg

Managing

Director

DIN: 00916814

Sangeeta Garg

Sangeeta Garg

Whole Time

Director

DIN: 01117956

GENESIS FINANCE COMPANY LIMITED

Note 23 Annexed to the standalone financial statements as on 31.03.2017 of NBFC



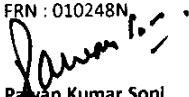
As required in terms of Paragraph 9BB of Non-Banking Financial Companies Prudential Norms (Reserve Banks) Directions, 1998

LIABILITIES SIDE		Amount in Lacs	
Serial No.	Particulars	Amount Outstanding	Amount Overdue
1	Loans and Advances availed by NBFC inclusive of Interest Accrued thereon but not		
	(a) Debentures		
	- Secured	Nil	Nil
	- Unsecured	1,833.32	Nil
	(Other than falling within the meaning of public deposits*)		
	(b) Deferred Credits	Nil	Nil
	(c) Term Loans	2,637.56	Nil
	(d) Inter-corporate Loans and borrowings	Nil	Nil
	(e) Commercial Paper	Nil	Nil
	(f) Public Deposits	Nil	Nil
	(g) Cash Credit/ Working Capital Limit from Bank	959.67	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	Nil	Nil
	(c) Other public deposits	Nil	Nil
ASSETS SIDE			
3	Break-up of Loans and Advances including Bills receivables (other than those included in (4)		
	(a) Secured		
	Long Term		2,882.69
	Short Term		5,016.41
	Sub Total		7,899.10
	(b) Unsecured		
	Long Term		1,169.83
	Short Term		2,653.29
	Sub Total		3,823.12
	Total		11,722.22
4	Break-up of Leased Assets and stock on hire and hypothecation loans counting towards EL/HP		
	(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 towards EL/HP activities		Nil
5	Break-up of Investments		
	Current Investments*		
	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		
	(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
	* Held as Stock in Trade		



Long Term Investments				
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			
	(a) Equity	Nil		
	(b) Preference	Nil		
	(ii) Debentures and Bonds	Nil		
	(iii) Units of mutual funds	Nil		
	(iv) Government Securities	Nil		
	(v) Investment in property	Nil		
6	Borrower group-wise classification of all leased assets, stock on hire and loans and advances		Please see	
	Category	Amount net of provisions		
		Secured	Unsecured	Total
1	Related Parties**			
	(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	7,899.10	3823.12	11,722.22
	Total	7,899.10	3823.12	11722.22
7	Investor group-wise classification of all investments (current and long term) in shares and securities (both			
	Category	Market Value/Break up or fair value or NAV	Book Value (Net of Provisions)	
1	Related Parties**			
	(a) Subsidiaries	Nil	Nil	
	(b) Companies in the same group	Nil	Nil	
	(c) Other related parties	Nil	Nil	
2	Other than related parties	Nil	Nil	
	Total	Nil	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		Nil	
	(ii) Net Non-Performing Assets			
	(a) Related Parties		Nil	
	(b) Other than Related Parties		Nil	
	(iii) Assets acquired in satisfaction of debts		Nil	


As per our Report of even date.

For P.K Soni & Co.
Chartered Accountants
FRN : 010248N

Pawan Kumar Soni
Proprietor
MRN : 052849
New Delhi
Dated: 29.08.2017



for and on behalf of the Board


Naresh Garg
Managing
Director
Din: 00916814


Sangeeta Garg
Wholetime
Director
Din: 01117956