

30th

AGM

Annual Report

2019-20

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CIN: L65910DL1990PLC040705

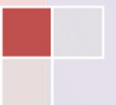


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CORPORATE INFORMATION

Board of Directors

Mr. Naresh Garg

Chairman, Managing Director

Mrs. 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

Independent Non-Executive Director

Audit Committee

Mr. Umang Sarkar

Chairperson

Mr. Aashish Ghai

Member

Mr. Feroz Malik

Member

Stakeholder Relationship Committee

Mr. Umang Sarkar

Chairperson

Mr. Naresh Garg

Member

Mrs. Sangeeta Garg

Member

Nomination & Remuneration Committee

Mr. Umang Sarkar

Chairperson

Mr. Aashish Ghai

Member

Mr. Feroz Malik

Member

Risk Management Committee

Mrs. Sangeeta Garg

Chairperson

Mr. Naresh 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

Mr. Krishna Rajendra Dayma

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/>

ANNUAL REPORT
2019-2020

BOARD'S REPORT

Dear Members,

Your Directors take immense pleasure in presenting Thirtieth (30th) 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 31st March, 2020. 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**”) business, holding Certificate of Registration (CoR No. 14.00023) dated 21st February, 1998. The Company is a leading Indian Financial Institution specializing 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 31st March, 20120 is summarized below:-

Particulars	(INR in lakhs)	
	For the financial year ended 31st March, 2020	For the financial year ended 31st March, 2019
Total Income (including other income)	2,127.63	1,433.45
Total Expense	978.34	812.93
Profit before Interest, Tax and Depreciation	1,149.30	620.52
Less: Depreciation and Amortization expense	26.39	31.38
Profit before tax	1,122.90	589.14
Less: Tax Paid	310.75	162.63
Profit after tax	812.15	426.62
Balance brought forward from previous year	-	-

Profit available for appropriations	812.15	426.62
Appropriations:		
Transfer to reserves	812.15	426.62
Dividend Paid	-	-
Balance carried to Balance Sheet	-	-
Paid-up Equity Share Capital (Face value INR 10/-)	46,39,71,200	46,39,71,200
Basic and diluted Earning Per Share	1.75	0.92

Note: During the year under review, the Company has adopted Indian Accounting Standards ("IND AS") effective from 1st April, 2019 and accordingly the financial statements have been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (IND AS) as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016 as prescribed under Section 133 of the Companies Act, 2013 read with the relevant rules issued there under and the other accounting principles generally accepted in India. The disclosure of same has been given by the Statutory Auditors in the Financial Statements.

2. COVID-19 PANDEMIC & LOCKDOWN

In the last month of FY 2020, the COVID-19 pandemic developed rapidly into a global crisis, forcing governments to enforce lock-downs of all economic activity. For the Company, the focus immediately shifted to ensuring the health and well-being of all employees, and on minimizing disruption to services for all our customers.

Faced with COVID-19 and the lockdown, the Company took immediate steps to handle this force majeure situation. Some of the initiatives were:

- Activating business continuity plans, with emergency response teams monitoring the situation and implementing actions in real time. As a result of this, the company continued operating under a well-defined 'Work-from-Home' Protocol.
- Keeping employee safety was the topmost priority, and the Company ensured that all employees immediately moved to work from home. Moreover, all employees were advised to strictly follow the lockdown guidelines of the central and state governments as well as local municipalities. A health support hotline was created for employees with a doctor on call to provide support for employees having COVID or COVID-like symptoms.
- Swiftly moving the IT infrastructure to ensure availability of adequate bandwidth, setting up virtual private networks, making laptops available where needed and creating multiple platforms for collaboration and team meetings over digital media. All this was achieved while ensuring full security of each company's network.
- Reaching out to customers to ensure that pending claims could be paid and they could get their servicing requirements met.
- Getting all business partners to quickly get on to digital platforms for two-way communication.

- The Company has also made a separate **COVID provision on Loans** as per RBI guidelines of INR 528,283/-. The same is mentioned in the financial statement.

Impact of COVID on business

The company has provided three months moratorium on payment of installments and/or interest falling due between 1st March, 2020 and 31st May, 2020 to eligible borrowers as per the RBI guidelines. The extent to which the Company's financial performance will be impacted by COVID is dependent on future developments, which are highly uncertain.

3. PERFORMANCE REVIEW AND STATE OF THE COMPANY AFFAIRS

During the financial year 2019-20, the Company has earned a profit of INR 81,214,799.00 as against the profit of previous Financial Year 2018-19 of INR 42,662,038.00.

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.

4. TRANSFER TO RESERVES

The company has transferred a sum of INR 16,250,000 as per the provisions of Section 45-IC of Reserve Bank of India, Act 1934 to the Statutory Reserve Account for the financial year ended 31st March, 2020 which can only be appropriated for the purposed specified by RBI. Till date nothing is specified by RBI. The Company has transferred net profit for the year amounting to INR 81,214,799 to Reserve and Surplus Accounts.

5. DIVIDEND

In view with the recent growth prospects and profitability of the Company in the industry and investing the profits in other avenue for higher profits, the Company has decided to retain the profits. Further keeping in mind the impact of pandemic Covid-19, the Board is keeping a strict eye on the future growth prospects and therefore, the Board didn't recommend any amount in the name of dividend to be distributed among the shareholders for the Financial Year 2019-20.

Further, the Company is not among the top 500 listed entities, hence there is no requirement to formulate Dividend Distribution Policy.

6. MATERIAL CHANGES AND COMMITMENTS DURING THE FINANCIAL YEAR

During the Financial Year 2019-20, the Company has no material changes and commitment. Hence no disclosure required.

7. CHANGE IN THE NATURE OF BUSINESS

During the financial year 2019-20 the nature of business of the Company remains same therefore, there is no change in the nature of the Business.

8. HOLDING COMPANY, SUBSIDIARY COMPANY, JOINT VENTURES OR ASSOCIATE COMPANY

As on 31st March, 2020, the Company doesn't have any Holding, Associate or Subsidiary Companies.

9. PUBLIC DEPOSIT

The Company has not accepted any deposits from the public during the year and has no unclaimed deposits. Further, the Company being an NBFC, the provisions of Chapter V i.e. Sections 73 to 76A of the Companies Act, 2013 are not applicable to the Company.

10. DETAILS OF DIRECTORS OR KEY MANAGERIAL PERSONNEL APPOINTED/ RESIGNED DURING THE YEAR

Change in Directorate:

Appointment/Reappointment of Directors:

- a) Mr. Feroz Malik (DIN:00262559) was appointed as Independent Non-Executive Director at the 29th Annual General Meeting (AGM) held on 25th September, 2019 for a period of five consecutive years w.e.f 4th January, 2019 up to 3rd January, 2024.
- b) Mr. Umang Sarkar (DIN:03172902) was Re-appointed as Independent Non-Executive Director at the 29th Annual General Meeting (AGM) held on 25th September, 2019 for a second term of consecutive five years w.e.f 27th September, 2019 up to 26th September, 2024.
- c) Mr. Naresh Garg (DIN:00916814) was Re-appointed as Managing Director at the 29th Annual General Meeting (AGM) held on 25th September, 2019 for a further period of five consecutive years w.e.f 1st August, 2019 up to 31st July, 2024.
- d) Mr. Gopal Bisht (DIN:00597160) was Re-appointed as Whole Time Director at the 29th Annual General Meeting (AGM) held on 25th September, 2019 for a further period of five consecutive years w.e.f 1st August, 2019 up to 31st July, 2024.

Resignation of Director:

No Director has resigned from his office during the relevant financial year.

Directors liable to retire by rotation:

Mr. Gopal Bisht (DIN: 00597160), retires by rotation at the ensuing Annual General Meeting (AGM) and being eligible, offer himself 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.

Change in Key Managerial Personnel:**Resignation of Company Secretary:**

Ms. Neeti Alwani, Company Secretary and Compliance Officer had resigned from the office w.e.f 1st July, 2020 due to her personal reasons. The same was taken on record by the Board in its meeting held on 30th June, 2020 and disclosures are being made to stock exchanges.

Appointment of Company Secretary:

Due to the resignation of Ms. Neeti Alwani, Company Secretary from the office, Mr. Krishna Rajendra Dayma, was appointed as Company Secretary and Compliance Officer of the Company w.e.f. 10th July, 2020 in the Board Meeting held on 30th June, 2020.

11. 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 and sub-regulation (1)(b) of the Regulation 16 of the Listing Regulations, the Company has received declarations from Mr. Umang Sarkar, Mr. Aashish Ghai, and Mr. Feroz Malik¹, 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. Further, there has been no change in the circumstances affecting their status as Independent Directors of the Company.

During the year under review, the Non-Executive Directors of the Company had no pecuniary relationship or transactions with the Company, other than sitting fees, commission, if any and reimbursement of expenses incurred by them for the purpose of attending meetings of the Board/ Committee of the Company.

¹Mr.Feroz Malik was appointed as an Additional Non- Executive Independent Director w.e.f. 4th January, 2019. Thereafter, his appointment as Non-Executive Independent Director was confirmed by the members at the 29th Annual General Meeting (AGM) of the Company held on 25th September, 2019.

12. 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
01/2019-20	01.04.2019
02/2019-20	15.04.2019
03/2019-20	30.05.2019
04/2019-20	01.08.2019
05/2019-20	13.08.2019
06/2019-20	29.08.2019
07/2019-20	16.09.2019
08/2019-20	13.11.2019
09/2019-20	13.02.2020

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 and Listing Regulations).

13. COMMITTEES MEETING

The details pertaining to composition of committees and its meetings are provided in the Corporate Governance Report which forms a part of the Board's report. Further, pursuant to Section 135 of the Companies Act, 2013, Company is being eligible for constituting the Corporate Social Responsibility ("CSR") Committee, as the Net Profit of the Company for the financial year ended 31st March, 2020 had exceeded INR 5 Crores. The details of CSR committee is also being provided in the Corporate Governance Report which form part of the Board's Report.

14. 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 and loss 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.

15. RISK MANAGEMENT

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. The committee has also established various measures to mitigate the various risks so identified.

16. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has aligned its current system of internal financial control with the requirements of Companies Act, 2013. The Company's internal controls are commensurate with its size, scale and nature of operations. These have been designed to provide reasonable assurances with regard to recording and providing reliable financial and operational information, complying with applicable statues, safeguarding assets from unauthorized use, executing transactions with proper authorization and ensuring compliance with corporate policies.

M.C. Jain & Co., the Statutory Auditors of the Company have audited the financial statements forming part of this annual report and have issued an attestation report on our internal control over financial reporting (as defined in section 143 of Companies Act, 2013).

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.

Based on Audit Committee's evaluation (as defined in section 177 of Companies Act 2013 and Clause 18 of Listing Regulations), it was concluded that, as of March 31, 2020, our internal financial controls were adequate and operating effectively.

There is no qualification, reservation or adverse remarks made by the Statutory Auditor/ Secretarial Auditor in their respective reports.

17. 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 has Whistle Blower Policy and has established a Vigil Mechanism for the Directors and employees to report any genuine concerns about unethical behavior, actual or suspected fraud or violations of the Company's Code of Conduct. The mechanism also 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 details of the policy have been disclosed in the Corporate Governance Report, which is a part of this report and is also available on <https://www.genesisfinance.net/financial-pdf/Details-of-establishment-of-Vigil-Mechanism-or-Whistle-Blower.pdf>.

18. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

During the financial year under review, all the Related Party Transactions entered into by the Company were in the ordinary course of business and on arm's length basis. The information on transactions with related parties pursuant to Section 134(3) (h) of the Act read with Rule 8(2) of the Companies (Accounts) Rules, 2014 are given in **Annexure-I** in Form No. AOC-2 and the same forms part of this report.

Further the related party transactions policy is also hosted on website of the Company at <https://www.genesisfinance.net/financial-pdf/Related-Party-Transaction-Policy.pdf>.

19. 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-II** and is also hosted on the Company's website www.genesisfinance.net.

20. 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.

21. NOMINATION AND REMUNERATION POLICY

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

22. STATUTORY AUDITORS

The Board had disclosed in the previous year Board's Report that due to the resignation of **M/s G. Singh & Co., Chartered Accountants** (Firm Registration No. 0512589C) from the position of Statutory Auditor of the Company with effect from 5th March, 2019, the Board recommended the appointment of **M/s M.C. Jain & Co., Chartered Accountants** (Firm Registration No. 304012E) as the Statutory Auditor of the Company to fill the casual vacancy which was duly approved by the members in the Extraordinary General Meeting ("EGM") duly held and convened on Tuesday, 30th April, 2019 to hold the office from the conclusion of this EGM to the conclusion of ensuring of 29th Annual General Meeting. Subsequently, at the 29th Annual General Meeting ("AGM") held on 25th September, 2019, **M/s M.C. Jain & Co., Chartered Accountants** (Firm Registration No. 304012E) was appointed by the members as the statutory auditors of the Company for the tenure of five years to hold the office from the conclusion of 29th AGM up to the conclusion of 34th AGM.

The requirement to place the matter relating to appointment of auditors for ratification by Members at every AGM has been done away by the Companies (Amendment) Act, 2017 with effect from 7th May, 2018. Accordingly, no resolution is being proposed for ratification of appointment of statutory auditors at the ensuing AGM.

M.C. Jain & Co., Chartered Accountants (Firm Registration No. 304012E) has audited the financial statements of the Company for the financial year ended on 31st March, 2020. The Report of the Statutory Auditor is annexed and forms part of this report.

23. SECRETARIAL AUDITOR

Pursuant to the provisions of Section 204 of the Act read with Rule 9 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company had appointed **M/s. A. Upadhyaya & Associates, Company Secretaries, (COP No.: 4729, Membership No.: FCS 5921)** to undertake the Secretarial Audit of the Company for the financial year ended 31st March, 2020. The Report of the Secretarial Auditor in prescribed format MR-3 is annexed to this report as **Annexure-III**. The report does not contain any qualification, reservations or observation by the Secretarial Auditor.

In addition to the above and pursuant to SEBI circular dated 8th February, 2019, an Annual Secretarial Compliance Report by Mr. Abhimanyu Upadhyaya for the financial year ended 31st March, 2020 has been submitted with Stock Exchanges.

24. 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 ("ICSI"). The company has also endeavors to comply with voluntary Secretarial Standards issued by ICSI time to time.

25. 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.

26. 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 foreign exchange outgo.

27. CORPORATE SOCIAL RESPONSIBILITY

The provisions of section 135(1) of the Companies Act, 2013 are applicable on the Company for the financial year 2020-2021 as the Net Profit (per section 198) of the immediate preceding financial year 2019-2020 of the Company, exceeded the threshold limit of INR 5 Crore. Therefore, the Board has taken appropriate steps to constitute a Corporate Social Responsibility ("CSR") Committee of the Board and CSR Policy in financial year 2020-2021.

28. 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.

29. ANNUAL EVALUATION OF BOARD PERFORMANCE AND PERFORMANCE OF ITS COMMITTEES AND OF INDIVIDUAL DIRECTORS

Pursuant to the provisions 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 Board of Directors has carried out an annual evaluation of its own performance, Board committees and individual Directors pursuant to the provisions of the Act and Listing Regulations. The performance of the Board was evaluated by the Board after seeking inputs from all the Directors on the basis of criteria such as the Board composition and structure, effectiveness of board processes, information and functioning, etc.

The performance of the committees was evaluated by the Board after seeking inputs from the committee members on the basis of criteria such as the composition of committees, effectiveness of committee meetings, etc. The above criteria are broadly based on the Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India on 5th January, 2017.

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. In this separate meeting of Independent Directors, performance of non-Independent Directors, the Board as a whole and the Chairman of the Company was evaluated, taking into account the views of executive Directors and non-executive Directors.

30. 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).

31. 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.

32. 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. Further, during the year under review no case of sexual harassment has been reported.

33. 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.

34. 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-IV** forming part of the Report.

35. 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-V**.

36. MANAGEMENT DISCUSSION & ANALYSIS REPORT

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

37. 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.

The Directors regret the loss of life due to COVID-19 pandemic and are deeply grateful and have immense respect for every person who risked their life and safety to fight this pandemic.

**For and on behalf of the Board of Directors
Genesis Finance Company Limited**

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

Sd/-
Sangeeta Garg
(Whole Time Director)
DIN: 01117956
Address: B-24, GF, Geetanjali Enclave,
New Delhi-110017

Date: 30.06.2020
Place: New Delhi

Annexure-I**FORM NO. AOC-2**

[Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014]

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arm's length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at Arm's length basis

Genesis Finance Company Limited (the Company) has not entered into any contract/arrangement/transaction with its related parties, which is not in ordinary course of business or at arm's length during FY 2020.

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	N/A
b)	Nature of contracts/arrangements/transaction	N/A
c)	Duration of the contracts/arrangements/transaction	N/A
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	N/A
e)	Justification for entering into such contracts or arrangements or transactions'	N/A
f)	Date of approval by the Board	N/A
g)	Amount paid as advances, if any	N/A
h)	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	N/A

2. Details of contracts or arrangements or transactions at Arm's length basis

The details of contracts or arrangements or transactions at arm's length basis for the year ended March 31, 2020 are as follows:

Further, appropriate approvals have been taken from the Audit Committee and Board of Directors of the Company from time to time for the related party transactions.

S. No.	Name of the Related Party	Nature of Relationship	Nature of Contracts/ Arrangements / Transactions	Duration and Salient features of the Contracts/ Arrangements / Transactions	Value (in INR)
1.	Naresh Garg	Key Managerial Personnel	Loan repaid by Company	As per RPT Policy of the Company	3,38,25,000/-
			Loan taken by Company		16,34,42,996/-
			Interest paid on Loan taken		1,24,22,377/-
2.	Sangeeta Garg	Key Managerial Personnel	Loan taken by Company	As per RPT Policy of the Company	2,51,00,000/-
			Interest paid on Loan taken		31,47,391/-
3.	Prateet Garg	Relative of Key Managerial Personnel	Professional Charges paid	As per RPT Policy of the Company	12,50,000/-
4.	Genesis Dream Merchant Private Limited	Company in which KMP is interested	Loan repaid by Company	As per RPT Policy of the Company	7,21,50,000/-
			Loan taken by Company		7,85,50,000/-
			Interest paid on Loan taken		23,71,610/-
5.	Kaizen Realtors Private Limited (*merger between Gensis Holding, Kaizen & Dream)	Company in which KMP is interested	Loan repaid by Company	As per RPT Policy of the Company	54,657/-
			Interest paid on Loan taken		2,51,238/-

For and on Behalf of the Board
GENESIS FINANCE COMPANY LIMITED

Sd/-

NARESH GARG

Managing Director

DIN: - 00916814

Address: - B-24 GF, GEETANJALI
ENCLAVE, NEW DELHI-110017

Sd/-

SANGEETA GARG

Whole-Time Director

DIN: - 01117956

Address: - B-24 GF, GEETANJALI
ENCLAVE, NEW DELHI-110017

Date: - 30.06.2020

Place: - New Delhi

ANNEXURE II**Form No. MGT - 9****EXTRACT OF ANNUAL RETURN
As on the financial year ended on 31st March, 2020**

[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 E-Mail ID - gopalbishtgfcl@gmail.com
6.	Whether listed company (Yes/No)	Yes (Metropolitan Stock Exchange of India)
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 (01/04/2019)				No. of Shares held at the end of the year (31/03/2020)				% Change during The year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter									
1) Indian									
a) Individual/ HUF	1,89,91,672	NIL	1,89,91,672	40.93	1,89,91,672	NIL	1,89,91,672	40.93	NIL
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	96,53,728	NIL	96,53,728	20.81	96,53,728	NIL	96,53,728	20.81	NIL
e) Banks / FI	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
f) Any Other	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Sub-total(A)(1): -	2,86,45,400	NIL	2,86,45,400	61.74	2,86,45,400	NIL	2,86,45,400	61.74	NIL
2) Foreign									
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
Sub-total(A)(2):	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Total shareholding of Promoter (A1) + (A2)	2,86,45,400	NIL	2,86,45,400	61.74	2,86,45,400	NIL	2,86,45,400	61.74	NIL

B. Public Shareholding									
1. Institutions	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
Sub-total(B)(1)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
2. Non Institutions									
a) Bodies Corp.									
(i) Indian	20,71,424	13,80,952	34,52,376	7.44	20,71,424	NIL	20,71,424	4.46	-2.98
(ii) Overseas									
b) Individuals									
i. Individual shareholders holding nominal share capital upto Rs. 1 lakh	80	84,070	84,150	0.18	80	84,070	84,150	0.18	NIL

ii. Individual shareholders holding nominal share capital in excess of Rs 1 lakh	93,68,784	48,30,380	1,41,99,164	30.6	1,07,49,736	48,30,380	1,55,80,116	33.58	2.98
c) Others –									
Foreign Shareholders	0	16,000	16,000	0.03	0	16,000	16,000	0.03	NIL
Resident Indian HUF	0	30	30	0	0	30	30	0	NIL
Sub-total(B)(2)	1,14,40,288	6311432	17751720	38.26	1,28,21,240	4930480	17751720	38.26	NIL
Total Public Shareholding (B)=(B)(1) +(B)(2)	1,14,40,288	63,11,432	1,77,51,720	38.26	1,28,21,240	4930480	17751720	38.26	NIL
C. Shares held by Custodian for GDRs & ADRs	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Grand Total (A+B+C)	4,00,85,688	63,11,432	4,63,97,120	100	4,14,66,640	49,30,480	4,63,97,120	100	NIL

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.	Bhagwati Devi	45,06,880	9.71	0	45,06,880	9.71	0	NIL
2.	Sangeeta Garg	44,80,560	9.66	0	44,80,560	9.66	0	NIL
3.	Naresh Garg	35,48,480	7.65	0	35,48,480	7.65	0	NIL
4.	Prateet Garg	35,73,048	7.7	0	35,73,048	7.7	0	NIL
5.	Sahil Garg	28,30,704	6.1	0	28,30,704	6.1	0	NIL
6.	Kapil Berera	52,000	0.11	0	52,000	0.11	0	NIL
7.	Genesis Merchants Limited Dream Private	78,53,728	16.93	0	78,53,728	16.93	0	NIL
8.	Genesis Holdings Private Limited	10,00,000	2.16	0	10,00,000	2.16	0	NIL

9.	Sopan Real Estate Private Limited	8,00,000	1.72	0	8,00,000	1.72	0	NIL
	Total	2,86,45,400	61.74	0	2,86,45,400	61.74	0	NIL

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

During the Financial Year 2019-20, there is no change in the promoter's shareholding as compared to the Financial Year 2018-19

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
1.	Shashi Bala Garg				
	At the beginning of the year	42,47,680	9.16	42,47,680	9.16
	Changes during the year:	-	-	42,47,680	9.16
	At the end of the year	-	-	42,47,680	9.16
2.	Nirmala Devi				
	At the beginning of the year	27,92,000	6.02	27,92,000	6.02
	Changes during the year	-	-	27,92,000	6.02
	At the end of the year	-	-	27,92,000	6.02
3.	Sharan Tayal				
	At the beginning of the year	9,85,600	2.12	9,85,600	2.12
	Changes during the year ¹ :	1380952	2.98	23,66,552	5.10
	At the end of the year	-	-	23,66,552	5.10
4.	Kaizen Realtors Private Limited				
	At the beginning of the year	20,71,424	4.46	20,71,424	4.46
	Changes during the year:	-	-	20,71,424	4.46
	At the end of the year	-	-	20,71,424	4.46
5.	Vinod Kumar				
	At the beginning of the year	15,23,200	3.28	15,23,200	3.28
	Changes during the year:	-	-	15,23,200	3.28
	At the end of the year	-	-	15,28,000	3.28
6.	Vinod Tayal				
	At the beginning of the year	14,04,784	3.03	14,04,784	3.03
	Changes during the year:	-	-	14,04,784	3.03
	At the end of the year	-	-	14,04,784	3.03
7.	Manju Kapoor				
	At the beginning of the year	11,60,000	2.5	11,60,000	2.5
	Changes during the year:	-	-	11,60,000	2.5
	At the end of the year	-	-	11,60,000	2.5
8.	Agrah Garg				
	At the beginning of the year	3,29,900	0.71	3,29,900	0.71
	Changes during the year:	-	-	3,29,900	0.71
	At the end of the year	-	-	3,29,900	0.71
9.	Sumer Dutta				
	At the beginning of the year	2,68,000	0.61	2,68,000	0.58
	Changes during the year:	-	-	2,68,000	0.58
	At the end of the year	-	-	2,68,000	0.58
10	Manish Bakshi				
	At the beginning of the year	2,43,200	0.52	2,43,200	0.52
	Changes during the year:	-	-	2,43,200	0.52
	At the end of the year	-	-	2,43,200	0.52

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
1.	Naresh Garg				
	At the beginning of the year	35,48,480	7.65	35,48,480	7.65
	Changes during the year	-	-	35,48,480	7.65
	At the end of the year	-	-	35,48,480	7.65
2.	Sangeeta Garg				
	At the beginning of the year	44,80,560	9.66	44,80,560	9.66
	Changes during the year	-	-	44,80,560	9.66
	At the end of the year	-	-	44,80,560	9.66
3.	Gopal Bisht				
	At the beginning of the year	4,000	0.01	4,000	0.01
	Changes during the year	-	-	4,000	0.01
	At the end of the year	-	-	4,000	0.01

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	29,35,58,494	7,53,91,784	NIL	36,89,50,278
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not				
Total(i+ii+iii)	29,35,58,494	7,53,91,784	NIL	36,89,50,278
Change in Indebtedness during the financial year				
i) Addition	NIL	14,54,38,170	NIL	145438170
ii) Reduction	(7,33,16,168)	NIL	NIL	(733,16,168)
Net Change	(7,33,16,168)	14,54,38,170	NIL	7,21,22,002
Indebtedness at the end of the financial year				
i) Principal Amount	22,02,42,326	22,08,29,954	NIL	44,10,72,280
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)	22,02,42,326	22,08,29,954	NIL	44,10,72,280

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	Gross salary <ul style="list-style-type: none"> • Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 • Value of perquisites u/s 17(2) Income-tax Act, 1961 • Profits in lieu of salary under section 17(3) Income-tax Act, 1961 	42,00,000	30,00,000	5,75,000	77,75,000
		0	0	0	0
2	Stock Option	0	0	0	0
3	Sweat Equity	0	0	0	0
4	Commission <ul style="list-style-type: none"> • As % of profit • Others, specify 	0	0	0	0
5	Others, please specify	0	0	0	0
	Total (A)	42,00,000	30,00,000	5,75,000	77,75,000
	Ceiling as per the Act	N/A	N/A	N/A	N/A

B. Remuneration to Other Directors

(In INR)

Sl. No.	Particulars of Remuneration	Name of Directors	Total amount
1.	Independent Directors	N/A	N/A

	<ul style="list-style-type: none"> • <i>Fee for attending board committee meetings</i> • <i>Commission</i> • <i>Others, please specify</i> 		
	Total (1)	N/A	N/A
2.	Other Non-Executive Directors <ul style="list-style-type: none"> • <i>Fee for attending board committee meetings</i> • <i>Commission</i> • <i>Others, please specify</i> 	N/A	N/A
	Total (2)	N/A	N/A
	Total (B) = (1+2)	N/A	N/A
	Total Managerial remuneration	N/A	N/A
	Overall ceiling as per the Act	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.	Gross salary <ul style="list-style-type: none"> • <i>Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961</i> • <i>Value of perquisites u/s 17(2) Income-tax Act, 1961</i> • <i>Profits in lieu of salary under section 17(3) Income-tax Act, 1961</i> 	N/A	2,04,000	N/A	NA
2.	Stock Option	NIL	NIL	NIL	NIL
3.	Sweat Equity	NIL	NIL	NIL	NIL

4.	Commission As % of profit Others, specify	NIL	NIL	NIL	NIL
5.	Others, please specify	NIL	NIL	NIL	NIL
	Total	NIL	2,04,000	NIL	NIL

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)
Company					
Penalty	NA	NA	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
Directors					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
Other officers in default					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL

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

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

**Sd/-
Sangeeta Garg
Whole Time Director
DIN: 01117956
Address: B-24, GF, Geetanjali Enclave, New
Delhi-110017**

Date: 30.06.2020

Place: New Delhi

ANNEXURE III

Form No. MR-3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH 2020

[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 31st March 2020 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 31st March, 2020 to the extend 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 17th 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 29th Annual General Meeting held on 25th September 2019 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 during the period 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.

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.

This Report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

**Place: New Delhi
Date: 30.06.2020**

**A.UPADHYAYA & ASSOCIATES
Company Secretaries**

**Sd/-
Prop.
Abhimanyu Upadhyaya
M.No: 5921
COP. No: 4729
UDIN: F005921B000400755**

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 test basis to ensure that correct facts are reflected in secretarial records. We believe that the process 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.
7. **Due to the outbreak of COVID -19 pandemic and the current lockdown in the entire country, physical examination of documents under Companies Act, 2013 is not possible; we have therefore relied upon the documents provided by the Company in electronic mode for Audit purpose**

**Place: New Delhi
Date: 30.06.2020**

**For A.UPADHYAYA & ASSOCIATES
Company Secretaries**

**Sd/-
Prop.
CS Abhimanyu Upadhyaya
M.No: 5921
COP. No: 4729
UDIN: F005921B000400755**

ANNEXURE IV**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 2019-2020:

S. No.	Name(s) of Director(s)	Designation	Ratio to Median Remuneration
1.	Mr. Naresh Garg	Managing Director	8.25:1
2.	Mrs. Sangeeta Garg	Whole-Time Director	6.25:1
3.	Mr. Gopal Bisht	Whole-Time Director and Chief Financial Officer	1.25:1
4.	Mr. Umang Sarkar	Non-Executive Independent Director	NA
5.	Mr. Ashish Ghai	Non-Executive Independent Director	NA
6.	Mr. Feroz Malik ¹	Non-Executive Independent Director	NA

¹Mr.Feroz Malik was appointed as an Additional Non- Executive Independent Director w.e.f. 4th January, 2019. Thereafter, his appointment as Non-Executive Independent Director was confirmed by the members at the 29th Annual General Meeting (AGM) of the Company held on 25th September, 2019.

2. Percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer or Company Secretary in the financial year 2019-2020:

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	27.78
4.	Mr. Umang Sarkar	Non-Executive Independent Director	Nil
5.	Mr. Ashish Ghai	Non-Executive Independent Director	Nil
6.	Mr. Feroz Malik ¹	Non-Executive Independent Director	Nil

¹Mr.Feroz Malik was appointed as an Additional Non- Executive Independent Director w.e.f. 4th January, 2019. Thereafter, his appointment as Non-Executive Independent Director was confirmed by the members at the 29th Annual General Meeting (AGM) of the Company held on 25th September, 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:	0

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

As on 31st March, 2020, 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 2019-20**: 3.51%

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 2019-20

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	59	N/A	07.65	Yes, Spouse of Sangeeta Garg
2	Sangeeta Garg	Whole Time Director	30,00,000/-	Permanent Employee	Graduate	01/11/1997	52	N/A	09.66	Yes, Spouse of Naresh Garg
3	Ashudeep Singh Suri	Manager- Finance and Mortgage	18,00,000/-	Permanent Employee	Graduate	01/08/2017	29	N/A	-	-
4	Vinod Tayal	Vice President	10,35,000/-	Permanent Employee	Graduate	01/08/2011	50	N/A	03.03	-
5	Sharan Tayal	Head operation	7,95,000/-	Permanent Employee	Graduate	01/11/1996	49	N/A	05.10	-

6	Rahul Agarwal	Collection	7,20,000/-	Permanent Employee	Graduate	01/04/2014	40	N/A	-	-
7	Gopal Bisht	Whole Time Director & Chief Financial Officer	5,75,000/-	Permanent Employee	Graduate	01/12/1995	49	N/A	0.01	-
8	Priyanka Agarwal	Documentation	4,80,000/-	Permanent Employee	Graduate	01/04/2014	40	N/A	-	-
9	Akash Jain	Accounts	4,80,000/-	Permanent Employee	Graduate	06/01/2012	29	N/A	-	-
10	Vinod Kumar	Field Worker	3,84,000/-	Permanent Employee	12 th Pass	01/05/2005	46	N/A	0.01	-

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 the Board of Directors 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: 30.06.2020

Place: New Delhi

ANNEXURE V

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 the affairs of the Company in a transparent manner and made accountable for its conduct in order to maximize the long-term value of the Company for the benefit of all its shareholders and all other stakeholders.

The Company is in compliance with the requirements stipulated under Regulation 17 to 27 read with Schedule V and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of Listing Regulations, as applicable, with regard to corporate governance.

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 the 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 & Category of Directors

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 Company has a judicious mix of Executive, Non-Executive and Independent Non-Executive Directors on its Board to maintain the independence of the Board and to separate the Board functions of management and control. 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 Composition of the Board is in conformity with Section 149 of the Companies Act, 2013 (hereinafter referred to as “the Act”) and Regulation 17 of the Listing Regulations as amended from time to time.

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. The 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 2019-20 is given below:

S. No.	Name of the Director	DIN	Category
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. Umang Sarkar	03172902	Non-Executive Independent Director
5.	Mr. Aashish Ghai	07276636	Non-Executive Independent Director
6.	Mr. Feroz Malik ¹	00262559	Non-Executive Independent Director

¹ Mr. Feroz Malik was appointed as an Additional Non- Executive Independent Director w.e.f. 4th January, 2019. Thereafter, his appointment as Non-Executive Independent Director was confirmed by the members at the 29th Annual General Meeting (AGM) of the Company held on 25th September, 2019.

B. Meeting of Board held and Director’s 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 meetings of the Board are normally held at the registered office in New Delhi and are scheduled well in advance. The Board meets at least once in a quarter to review the quarterly financial statements and other relevant agenda items, additional meetings were held as and when required.

The Board of Directors of your company met **nine** times on the dates given in table below during the year under review and the gap between any two consecutive meetings did not exceed one hundred and twenty days.

Number of Board Meeting	Date of Board Meeting
01/2019-20	01.04.2019
02/2019-20	15.04.2019
03/2019-20	30.05.2019
04/2019-20	01.08.2019
05/2019-20	13.08.2019

06/2019-20	29.08.2019
07/2019-20	16.09.2019
08/2019-20	13.11.2019
09/2019-20	13.02.2020

The attendance of each Director at the Board Meeting held during F.Y. 2019-20 and the last Annual General Meeting

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	7	Yes
3.	Mr. Gopal Bisht	9	Yes
4.	Mr. Umang Sarkar	8	Yes
5.	Mr. Aashish Ghai	5	No
6.	Mr. Feroz Malik ¹	3	No

¹ Mr. Feroz Malik was appointed as an Additional Non- Executive Independent Director w.e.f. 4th January, 2019. Thereafter, his appointment as Non-Executive Independent Director was confirmed by the members at the 29th Annual General Meeting (AGM) of the Company held on 25th September, 2019.

C. Number of other Board of Directors or Committees in which a Director is a Member or Chairperson including the name of the listed entities where he is a Director and category of Directorship as on 31st March, 2020

Name of the Director	Category	Details of Directorships in other Companies	Number of Committee positions held in other companies	
			Chairman	Member
Mr. Naresh Garg	Chairman and Managing Director	Genesis Dream Merchants Private Limited Genesis Holdings Private Limited	Nil	Nil
Mrs. Sangeeta Garg	Whole Time Director	Genesis Dream Merchants Private Limited	Nil	Nil

Mr. Gopal Bisht	Whole Time Director & Chief Finance Officer	Genesis Holdings Private Limited	Nil	Nil
Mr. Umang Sarkar	Non-Executive Independent Director	Nil	Nil	Nil
Mr. Aashish Ghai	Non-Executive Independent Director	Nil	Nil	Nil
Mr. Feroz Malik	Non-Executive Independent Director	Globus Roaming Services Private Limited	Nil	Nil

None of the Directors hold any Directorship on any Board or Committee of any other listed entity, hence no disclosure is required.

D. Disclosure of Relationships between Directors Inter-Se

S. No.	Name of the Director	Relationship Inter-se
1.	Mr. Naresh Garg	Husband of Mrs. Sangeeta Garg
2.	Mrs. Sangeeta Garg	Wife of Mr. Naresh Garg
3.	Mr. Gopal Bisht	-
4.	Mr. Umang Sarkar	-
5.	Mr. Aashish Ghai	-
6.	Mr. Feroz Malik ¹	-

¹ Mr. Feroz Malik was appointed as an Additional Non- Executive Independent Director w.e.f. 4th January, 2019. Thereafter, his appointment as Non-Executive Independent Director was confirmed by the members at the 29th Annual General Meeting (AGM) of the Company held on 25th September, 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 share or 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 familiarize 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
- Risk and Compliance oversight

The Board at present has all the above skills/ expertise/ competence in the Board.

H. 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, and Rules made there under, if any, 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 20th February, 2020, 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. Feroz Malik ¹	1	1

¹ Mr. Feroz Malik was appointed as an Additional Non- Executive Independent Director w.e.f. 4th January, 2019. Thereafter, his appointment as Non-Executive Independent Director was confirmed by the members at the 29th Annual General Meeting (AGM) of the Company held on 25th September, 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.

3. BOARD COMMITTEES

The Company has five committees of the Board:

- 3.1. Audit Committee
- 3.2. Nomination and Remuneration Committee
- 3.3. Stakeholder Relationship Committee
- 3.4. Risk Management Committee
- 3.5. Corporate Social Responsibility Committee*

**The provisions of Section 135 of the Companies Act, 2013 i.e. Corporate Social Responsibility Committee has been applicable from financial year 2020-2021 as the Company crossed the threshold (Net profit) per Section 135 of the Companies Act, 2013 in financial year 2019-2020.*

3.1. 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 Listing Regulations and provisions of Section 177 of the Companies Act, 2013.

B. Meetings of Audit Committee

Number of Audit Committee Meeting	Date of Audit Committee Meeting
01/2019-20	01.04.2019
02/2019-20	30.05.2019
03/2019-20	13.08.2019
04/2019-20	13.11.2019
05/2019-20	13.02.2020

C. Composition of Audit Committee, Name of Chairperson & members and Attendance at Meetings

S. No.	Name of the Director	Position	Category	Meetings	
				Entitled to attend	Attended
1.	Mr. Umang Sarkar	Chairperson	Non - Executive Independent Director	5	5
2.	Mr. Aashish Ghai	Member	Non - Executive Independent Director	5	4
3.	Mr. Feroz Malik ¹	Member	Non - Executive Independent Director	5	4

¹ Mr. Feroz Malik was appointed as an Additional Non- Executive Independent Director w.e.f. 4th January, 2019. Thereafter, his appointment as Non-Executive Independent Director was confirmed by the members at the 29th Annual General Meeting (AGM) of the Company held on 25th September, 2019.

Company Secretary acts as Secretary to the Committee.

3.2. NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee is constituted in line with Regulation 19 of the Listing Regulations and Section 178 of the Companies Act, 2013 and the NBFC Regulations.

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. Meetings of Nomination and Remuneration Committee

The Committee met one time in the financial year 2019-2020 on 1st August, 2019.

C. Composition of Nomination and Remuneration Committee, Name of Chairperson & members and Attendance at Meetings

S. No.	Name of the Director	Position	Category	Meetings	
				Entitled to attend	Attended
1.	Mr. Umang Sarkar	Chairperson	Non-Executive Independent Director	1	1
2.	Mr. Aashish Ghai	Member	Non-Executive Independent Director	1	1
3.	Mr. Feroz Malik ¹	Member	Non-Executive Independent Director	1	1

¹ Mr. Feroz Malik was appointed as an Additional Non- Executive Independent Director w.e.f. 4th January, 2019. Thereafter, his appointment as Non-Executive Independent Director was confirmed by the members at the 29th Annual General Meeting (AGM) of the Company held on 25th September, 2019.

D. 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.

3.3. 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, Non-Executive Independent Director is the chairperson of the committee.

B. Compliance Officer

For the financial year 2019-2020 Ms. Neeti Alwani, Company Secretary remained the Compliance Officer of the Company. She resigned from the post of Company Secretary w.e.f. 1st July, 2020 and Mr. Krishna Rajendra Dayma, is appointed as the Company Secretary and designated as the Compliance Officer of the Company in terms of Regulation 6(1) of the Listing Regulations.

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

C. Meetings of Stakeholder Relationship Committee

The Committee met one time in the financial year 2019-2020 on 13th November, 2019.

D. Composition of Stakeholder Relationship Committee, Name of Chairperson & members and Attendance at Meetings

S No.	Name of the director	Position	Category	Meetings	
				Entitled to Attend	Attended
1.	Mr. Umang Sarkar	Chairperson	Non-Executive Independent Director	1	1
2.	Mrs. Sangeeta Garg	Member	Whole Time Director	1	1
3.	Mr. Naresh Garg	Member	Managing Director	1	1

Company Secretary acts as Secretary to the Committee.

E. Details of the Investor Complaints Received During FY 2019-20

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.

3.4. RISK MANAGEMENT COMMITTEE

The Company in line with Regulation 21 of the Listing Regulations constituted the 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 framed a sturdy Risk Management Policy for the company to detect any threats to the extinction of the business.

A. Terms of Reference

- To review the Company's risk governance structure, risk assessment and risk management frame work, guidelines, policies and processes for risk assessment and risk management.
- To review the Company's risk mitigation strategies relating to identified key risks as well as the processes for monitoring and mitigation such risks.

- Report to the Board on the Committee's activities for information and recommend proposed changes, if any, to the Board for approval.

B. Meetings of Risk Management Committee

The Committee met one time in the financial year 2019-2020 on 15th April, 2019.

C. Composition of Risk Management Committee, Name of Chairperson & members and Attendance at Meetings

S. No.	Name of the Director	Position	Category	Meetings	
				Entitled to attend	Attended
1.	Mr. Naresh Garg	Chairperson	Managing Director	1	1
2.	Mrs. Sangeeta Garg	Member	Whole Time Director	1	1
3.	Mr. Gopal Bisht	Member	Whole Time Director and Chief Finance Officer	1	1

Company Secretary acts as Secretary to the Committee.

3.5. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

The Corporate Social Responsibility Committee ("CSR") has become mandatory on the Company from Financial Year 2020-2021 therefore, the Board is considering to constitute the same and has already initiated steps to frame the CSR Policy. The same will be hosted on the website of the Company. Hence no disclosure has been made yet in the Annual Report for the Financial Year 2019-2020.

4. 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, 2020 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	5,75,000	Nil	Nil	5,75,000
Total						77,75,000.00/-

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. Aashish Ghai	Non-Executive Independent Director	Nil	Nil	Nil	-
3.	Mr. Feroz Malik	Non-Executive Independent Director	Nil	Nil	Nil	-

5. GENERAL BODY MEETINGS

i. Details of the last three Annual General Meetings (AGMs) of the Company:

During the preceding three years, the Company's Annual General Meetings were held at the registered office situated at 4 MMTC/STC Market Geetanjali New Delhi 110017

Financial Year	Date	Time	No of special resolution passed	Details of Special Resolution passed
2016-17	Saturday, 30.09.2017		3	1. Revise the remuneration of Mr. Naresh Garg.

		11:00 A.M.		2. Revise the remuneration of Mrs. Sangeeta Garg. 3. Adoption of new Articles of Association.
2017-18	Saturday, 29.09.2018		Nil	
2018-19	Wednesday, 25.09.2019		1	1. Special Resolution was passed to re-appoint Mr. Umang Sarkar as an Independent Non-Executive Director for the second term.

ii. Details of the Extraordinary General Meeting of the Company:

Financial Year	Date	Time	No of special resolution passed	Venue of Annual General Meetings
2019-20	Tuesday, 30.04.2019	11:00 A.M.	Nil	Registered Office 4 MTC /STC Market Geetanjali New Delhi 110017

iii. Details of the Special Resolutions passed through postal ballot, the person who conducted the postal ballot exercise, details of the voting pattern and procedure of postal ballot:

The Company has not passed any resolution through postal ballot in the last year.

iv. Details of the Special Resolutions proposed to be conducted through postal ballot:

None of the businesses proposed to be transacted at the ensuing AGM requires passing of a special resolution through postal ballot.

6. 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) and Jansatta (Hindi) 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.

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.

7. GENERAL SHAREHOLDERS INFORMATION**A. 30TH Annual General Meeting**

Date	24 th September, 2020
Time	11:00 A.M.
Venue	4 MMTC/STC Market Geetanjali New Delhi 110017

B. Financial Year: 1st April, 2019 to 31st March, 2020

C. Dividend Payment Date: The Board of Directors has not recommended any dividend for the financial year 2019-20

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 2019-20 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 its 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 Dematerialization/Rematerialization of shares are processed at Skylines. The work related to Dematerialization/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 31.03.2020 Nominal Value of Each Share INR 10/-

Distribution of shareholding across categories as on 31.03.2020

S. No.	Categories	No. of Shareholders	Number of Shares held	% to Total shares
1	Promoter & Promoter Group	9	28645400	61.74
2	Public	202	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
Total		211	46397120	100

Distribution of shareholding according to size class as on 31.03.2020

Shareholding Nominal Value (in INR)	Number of Shareholders	% to Total Numbers	Shareholding Amount (in INR)	% to Total Amount
Up To 5,000	160	75.83	143500	0.03
5,001 To 10,000	9	4.27	64000	0.01
10,001 To 20,000	0	0	0	0
20,001 To 30,000	2	0.95	50000	0.01
30,001 To 40,000	2	0.95	78000	0.02
40,001 To 50,000	4	1.9	183000	0.04
50,001 To 1,00,000	6	2.84	483300	0.1
1,00,001 and Above	28	13.27	462969400	99.78
Total	211	100	463971200/-	100

M. Dematerialization 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.

I. 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

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

K. Plant locations: N/A

L. 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

M. list of all credit ratings obtained : N/A

8. OTHERS DISCLOSURES**A. Disclosures on materially significant related party transactions**

The Company has not entered into any materially significant transactions with the related parties viz. Promoters, Directors or the Management, or their relatives or Subsidiaries that have potential conflict with the Company's interest.

B. Penalties Imposed on Listed Entity

Nil.

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. No person has been denied access to the Chairperson of the Audit Committee. The policy has been hosted on the website of the Company at - <https://www.genesisfinance.net/financial-pdf/Details-of-establishment-of-Vigil-Mechanism-or-Whistle-Blower.pdf>.

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. Archival Policy of the Company

The Company has hosted its Archival Policy on its website which is available at - <https://www.genesisfinance.net/corporate-governance.html>.

F. 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>.

G. Disclosure of commodity price risks and commodity hedging activities: N/A

H. 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).

I. 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 VII**.

J. 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.

K. Total Fees paid by the Listed Entity to its Statutory Auditors

During the year under review the Statutory Auditors of the Company has been paid a fees, on consolidated basis is given below:

S. No.	Particulars	Amount
1.	Statutory Audit Fees	1,00,000/-
2.	Tax Audit Fees	50,000/-
3.	Other matters including certification	50,000/-
4.	Reimbursement of out-of-pocket expenses	NIL
Total*		2,00,000/-

*Excludes taxes as applicable

L. 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 read with the Sexual Harassment of Women at Workplace (Prevention, Prohibition, and Redressal) Rules, 2013. An Internal Complaints Committee (“ICC”) has been set up to redress Complaints received on sexual harassment.

No complaint on sexual harassment was received during the Financial Year 2019-20. 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

9. COMPLIANCE OF DISCRETIONARY REQUIREMENTS UNDER THE LISTING REGULATIONS

Pursuant to Schedule V Clause C sub-clause 12 the Company has adopted following discretionary requirements as specified in Schedule II Part E:

- **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.

10. REPORT ON CORPORATE GOVERNANCE REPORT

The information provided under this annexure constitutes the report on corporate governance during FY 2019-20. A section on ‘Management Discussion and Analysis’ for FY 2019-20 is also included in this Annual Report.

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

11. 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 2020. A declaration to this effect signed by the Managing Director of the Company forms a part of this Report and marked as **Annexure-VIII**.

12. 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-IX**.

13. 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.

14. 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-X** to this report.

15. 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 of 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 the Board of Directors
Genesis Finance Company Limited**

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

Date: 30.06.2020
Place: New Delhi

Sd/-
Sangeeta Garg
Whole Time Director
DIN: 01117956
Address: B-24, Ground Floor, Geetanjali
Enclave, New Delhi- 110017

ANNEXURE VI

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

The Management of the Company is pleased to present its report on Industry Scenario including Company performance during the financial year 2019-20.

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. For the first time in seven years, India's GDP grew below 6 percent year over year for two consecutive quarters, forcing policymakers and markets to rethink India's outlook. The first quarter of FY2019-20 registered 5 percent growth, the slowest since the fourth quarter of FY2012-13. Three of the four growth engines—private consumption, private investment, and exports—have slowed down significantly. Consumption, the biggest contributor of growth, fell to an 18-quarter low of 3.1 percent in Q1 FY2019-20, pointing to fragile consumer sentiment and purchasing ability. Investments grew 4 percent, marginally up from 3.6 percent in the previous quarter. Exports grew 5.7 percent and have remained volatile owing to global uncertainties around trade and investments and geopolitical tensions. The fourth engine, government consumption and investment, is running out of steam because of the limited elbow room the government has for counter-cyclical spending as the budget deficit remains under pressure.

The growth rate of India's Gross Domestic Product (GDP) fell from 6.8 per cent in Financial Year 2018-19 to 4.2 per cent in FY 2019-20, due to economic uncertainty. India moved up by 14 places in the World Bank's Ease of Doing Business Index 2019 and achieved 63rd rank and for the third consecutive year was amongst the top 10 economies where the business climate has improved the most. Fixed Investment Rate (Share of GFCF to GDP) stood at 27.45 per cent during FY20, compared to 28.9 per cent during the corresponding period of FY19.

The Government of India has introduced several reforms to liberalize, 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).

INDUSTRY OVERVIEW

A total of 9,601 NBFCs were registered with the RBI at end-March, 2020 of which 66 were deposit-accepting (NBFCs-D) and 278 were systemically important non-deposit accepting NBFCs (NBFCs-ND-SI). All NBFCs-D and NBFCs-ND-SI, including Government owned NBFCs, are subject to prudential regulations such as capital adequacy requirements and provisioning norms, along with reporting requirements. Although the combined balance sheet size of the NBFCs is about one fifth of that of Scheduled Commercial Banks ("SCB"), the importance of the former lies in last mile credit delivery and niche segment support in the Indian financial system.

The Gross Non-Performing Asset ("GNPA") ratio of the NBFC sector declined during successive quarters till December 2019, however, surged in March 2020 quarter. The net Non-Performing Asset ("NPA") ratio was

marginally lower in March 2020 quarter than the previous year. The Capital to Risk Asset Ratio (“CRAR”) of the sector stood at 19.6 per cent in March 2020, which was 19.5 per cent a year ago.

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.

Post COVID-19 Response

Banks and market borrowings account for over 70 per cent of total outside liabilities of the NBFC sector. With the waning of market confidence, the share of long-term market debt [i.e., non-convertible debentures (NCDs)] in total borrowings of the NBFC sector declined from 49.1 per cent at end-March 2017 to 40.8 per cent at end-December 2019. The consequent funding gap was met through bank borrowings, which rose from 23.1 per cent of total borrowings to 28.9 per cent over this period.

The declining share of market funding for NBFCs is a concern as it has the potential to accentuate liquidity risk for NBFCs as well as for the financial system. In the aftermath of the IL&FS crisis, NBFCs have been facing differentiation in market access and financial conditions, with only the higher rated entities able to raise funds.

Ind-AS accounting could impinge on the balance sheet risks, especially asset quality and provisioning; finances of NBFC-MFIs; contagion from Mutual Funds due to redemption pressures and customer confidence.

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**

The Micro, Small & Medium Enterprises (“MSMEs”) have been contributing significantly to the expansion of entrepreneurial endeavors through business innovations. The MSMEs are widening their domain across sectors of the economy, producing diverse range of products and services to meet demands of domestic as well as global markets. Employing over 11 Crore workers MSMEs contribute 29% of India’s GDP and comprise almost half of its exports. While there are about 90.19 lakh registered MSMEs, there may be actually more than 6.33 Crore MSMEs out of which 6.30 crore or 99.4% are micro-enterprises while 0.52% — 3.31 lakh are medium and 0.007% — 5,000 are medium enterprises. Despite holding 48% share in India’s exports, the significance of MSMEs in creating sufficient opportunities or employment for the country’s teeming millions has always occupied a secondary status.

Further, Union finance minister Nirmala Sitharaman on May 13, 2020 had announced that with effect from July 1, 2020 as per the latest redefinition, a micro enterprise is reclassified as one in which the plant and machinery investment does not exceed one crore rupees and turnover does not exceed five crore, a small enterprise would be that in which investment shouldn’t exceed ten crore with turnover up to fifty crore and in a medium enterprise the investment shouldn’t exceed INR 50 crore with turnover at INR 250 crore.

She further said that this new classification was being made under the ‘Atmanirbhar Bharat Abhiyaan’ Economic Package to assuage India’s economic predicament amidst the pandemic.

- **Housing Finance**

Home loan growth and its asset quality of housing finance companies (HFCs) has come under pressure following the economic slowdown and also the major impact of coronavirus pandemic as the salaried class has seen salary

and job cuts. Further, ICRA expects non-performing assets in the housing segment to increase to 1.8-2% by March 2021 from 1.4% as of December 2019. While slippages in the non-housing segment could be higher with gross NPAs increasing to 3-3.5% in FY'2021 from 2.1% as on December 31, 2019

The RBI has also taken steps to infuse liquidity into the system via targeted long-term repo operations (“TLTROs”), which could increase the available liquidity. The INR 50,000 Crore of additional TLTROs announced on April 17, 2020 and the additional INR 10,000 Crore of refinance facility to National Housing Bank (“NHB”) will support the immediate liquidity requirements of HFCs to some extent, especially those operating in the affordable housing space where collections are likely to be impacted more.

THE COMPANY

Genesis Finance Limited is a leading Indian Financial Institution specializing 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.

Further the detailed discussion has already been incorporated in Board Report.

MATERIAL DEVELOPMENT IN HUMAN RESOURCES

Attracting, enabling and retaining talent have been the cornerstone of the Human Resource function and the results underscore the important role that human capital plays in critical strategic activities such as growth. The company has not employed any personnel during the year.

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 INR 21,27,62,901/- (Twenty One Crore Twenty Seven Lakh Sixty Two Thousand Nine Hundred One) in comparison to INR 14,33,45,390/- (Fourteen Crore Thirty Three Lakh Forty Five Thousand Three Hundred Ninety) of the previous year.

Profit Before Tax (PBT) stands at INR 11.23/- Crore as against INR 5.86/- Crore of the previous financial year. The Company's Profit After Tax (PAT) increased to 8.12/- Crore in FY 2019-20 compared to INR 4.27/- Crore in FY 2018-19. The earning per equity share of the Company (basic) has increased from 0.92 to 1.75.

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:

Sr. No.	Key Financial Ratios	FY 2019-20	FY 2018-19
1.	Debtors Turnover	NA	NA
2.	Inventory Turnover	NA	NA
3.	Interest Coverage Ratio	3.16	2.24
4.	Current Ratio	5.38	3.58
5.	Debt Equity Ratio	0.44	0.33
6.	Operating Profit Margin (%)	56.03	41.92
7.	Net Profit Margin (%)	38.17	29.12
8.	Return on Net Worth	8.87	4.99

The company's loan portfolio increased during the year which has led to increase in revenue from operations by over 48%, due to this increase the interest coverage ratio increased from 2.24:1 to 3.16:1.

The increase in revenue was at higher percentage than the increase in expenses which led to rise in operating profit ratio from 41.92% to 56.03%, net profit margin from 29.12% to 38.17% and return on net worth from 4.99% to 8.87%.

The directors of the company infused funds in the form of unsecured loans to the company due to which debt equity increased from 0.33:1 to 0.44:1.

The company's loan portfolio included majorly on short term loans for periods up to 12 months and also the utilised fund based working capital limit of the company was only 57.50% of the available limit which has led to rise in current ratio from 3.58:1 to 5.38:1.

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 the Board of Directors 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

Place: New Delhi

Date: 30.06.2020

ANNEXURE VII**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) as considered necessary and explanations furnished to me by the Company, its officers and authorized representative, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2020 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.

S. No.	Name of Director	DIN	Date of appointment in Company
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 A. Upadhyaya & Associates
Sd/-
Abhimanyu Upadhyaya
Practicing Company Secretaries
COP: 4729
Membership No. FCS 5921
UDIN: F005921B000400997

Place: New Delhi
Date: 30.06.2020

ANNEXURE VIII

DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE CODE OF CONDUCT

To,
The Board of Directors
Genesis Finance Company Limited

I, Naresh Garg, Managing Director of Genesis Finance Company Limited (“the **Company**”) hereby declare that the Company has adopted the Code of Conduct for the Board of Directors and its Senior Management and such Code is available on the Company’s website at <https://www.genesisfinance.net/>.

I confirm that the Company has in respect of the Financial Year ended March 31, 2020, received from the Senior Management Team of the Company and the Members of the Board, a declaration of compliance with the Code of Conduct as applicable to them. For the purpose of this declaration, Senior Management Team means the Members of the Management one level below the Managing Director & Whole Time Directors and shall including Company Secretary and Chief Financial Officer as on March 31, 2020.

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

Date: 30.06.2020
Place: New Delhi

ANNEXURE IX**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 31st 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 31st 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 31st March 2019.

We have examined the compliance of conditions of Corporate Governance by the Company for the period 1st April 2018 to 31st 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, and considering the relaxations granted by the Ministry of Corporate Affairs (MCA) and the Securities and Exchange Board of India (SEBI) warranted due to the spread of the COVID-19 pandemic, we certify that Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the year ended 31st March , 2020.

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
UDIN: F005921B000400964

Place: New Delhi
Date: 30.06.2020

ANNEXURE X**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 31st 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: 30.06.2020

**STANDALONE FINANCIAL
STATEMENTS FOR THE
FINANCIAL YEAR
2019-2020**

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **GENESIS FINANCE COMPANY LIMITED** (the "Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows ended on that date, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "standalone financial statements").

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 Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing ("SA"s) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report.

We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics.

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.

Emphasis of Matter

As described in Note 37 to the Standalone Financial Statements, in respect of accounts overdue but standard at 29th February, 2020 where moratorium benefit has been granted, the stage of those accounts

at 31st March, 2020 is based on the days past due status as on 29th February, 2020 in accordance with the Reserve Bank of India COVID-19 Regulatory Package.

As described in the said note to the standalone financial statements, the extent to which COVID-19 pandemic will have impact on the Company's financial performance is dependent on future developments, which are highly uncertain.

Our opinion is not modified in respect of the above matters.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report.

Description of Key Audit Matters

Key audit matter	How the matter was addressed in our audit
<p>Impairment of loans and advances to customers: Charge: Rs 37.49 Lakhs for the year ended 31st March, 2020 Provision: Rs 93.78 Lakhs at 31st March, 2020 An amount of Rs 5.28 Lakhs has been separately provided as Covid Provision.</p>	
<p>Refer to the accounting policies in "Note 2.2.(F) to the Standalone Financial Statements: Impairment, "Note 3 (B) to the standalone financial statements: Significant Accounting Policies- Use of estimates" and "Note 5, 33, 34" to the standalone financial statements: Loans"</p>	
<p>Subjective estimates</p> <p>Recognition and measurement of impairment of loans and advances involve significant management judgment. Under Ind AS 109, Financial Instruments, allowance for loan losses is determined using expected credit loss (ECL) model. The company's impairment allowance is derived from estimates including the historical default and loss ratios. Management exercises judgment in determining the quantum of loss based on a range of factors. The most significant areas are:</p> <ul style="list-style-type: none"> • Segmentation of loan book • Determination of exposure at default 	<p>Our audit procedures included</p> <p>Design/ Controls:</p> <ul style="list-style-type: none"> • Evaluation of the appropriateness of the impairment principles used by the management based on the requirements of Ind AS 109, our business understanding and industry practice. • Assessing the design and implementation of key internal financial controls over loan impairment process used to calculate the impairment charge.

<ul style="list-style-type: none"> • Loan staging criteria • Calculation of probability of default/loss given default • Consideration of probability weighted scenarios and forward looking macro-economic factors • Complexity of disclosures <p>There are many data inputs required by the ECL model. This increases the risk of completeness and accuracy of the data that has been used to create assumptions in the model. In some cases, data is unavailable and reasonable alternatives have been applied to allow calculations to be performed.</p>	<ul style="list-style-type: none"> • Understanding management's revised processes, systems and controls implemented in relation to impairment allowance process, particularly in view of COVID-19 regulatory package. • Evaluating management's control over collation of relevant information used for determining estimates for management overlays on account of COVID-19. • Testing the controls over "Governance Framework in line with the RBI guidance. • Testing of review controls over measurement of impairment allowances and disclosures in financial statements
<p>Impact of COVID -19</p> <p>On 11 the March, 2020 the World Health Organization declared the Novel Coronavirus (COVID-19) outbreak to be a pandemic. We have identified the impact of and uncertainty related to the COVID 19 pandemic as a key element and consideration for recognition and measurement of impairment on loans and advances on account of :</p> <ul style="list-style-type: none"> • Short and long term macroeconomic effect of the businesses in the country and its consequential first order and cascading negative impact on revenue and employment generation opportunities. • Impact of the pandemic on the company's customers and their ability to repay dues and • Application of regulatory package announced by the Reserve Bank of India (RBI) on asset classification and provisioning. <p>Management has conducted a qualitative assessment of significant increase in credit risk (SICR) of its loan and advances with respect to the moratorium benefit to</p>	<p>Substantive tests</p> <ul style="list-style-type: none"> • Focus on appropriate application of accounting principles, validating completeness and accuracy of the data and reasonableness of assumptions used in the model. • Involving our specialists to test the model methodology and reasonableness of assumptions used, including management overlays. • Test of details over calculation of impairment allowance for assessing the completeness, accuracy and relevance of data. • Model calculations testing through performance where possible. • The appropriateness of management's judgments was also independently reconsidered in respect of calculation methodologies, segmentation, economic factors, the period of historical loss rates used and the valuation of recovery assets and collaterals. • Assessing the appropriateness of management rationale for determination of criteria for SICR

<p>borrowers prescribed by the RBI and considered updated macro-economic scenarios to factor in the potential impact of COVID-19 on expected credit loss provision.</p>	<p>considering both: adverse effects of COVID-19 and mitigates in the form of the RBI/Government financial relief package.</p> <ul style="list-style-type: none"> • Assessing the appropriateness of changes made in macro-economic factors and management overlays to calibrate the risks that are not yet fully captured by the existing model. • Checked the reasonableness of management's assessment of grading of severity of impact of COVID-19 on segments of its loan portfolio and the resultant impairment provision computed. • Assessing the factual accuracy and appropriateness of the additional financial statements disclosures made by the company regarding impact of COVID-19. • Considered the appropriateness of disclosures relating to financial risk management including those relating to ECL provision on loans and advances.
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Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance Report, and Shareholder Information, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Management's Responsibilities for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in 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.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account.

d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.

e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act. In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

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 has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company and its subsidiary companies incorporated in India.

iv. The disclosures in the Standalone Financial Statements regarding the holdings as well as dealings in specified bank notes during the period from 8th November, 2016 to 30th the December, 2016 have not been made in the standalone financial statements since they do not pertain to the financial year ended 31st March, 2020.

i) With respect to the matter to be included in the Auditors' Report under Section 197(16):

In our opinion and according to the information and explanations given to us, the remuneration paid by the company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

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

UDIN: 20550530AAAABP2070

Date: 30th June, 2020

Place: New Delhi

Annexure “A” to the Independent Auditor’s Report

(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of **Genesis Finance Company Limited** 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 **GENESIS FINANCE COMPANY LIMITED** (the “Company”) as of March 31, 2020 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 Board of Directors of the Company 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 (the “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 the respective 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 of the Company 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 ICAI 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 judgment, 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 authorizations of the management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal financial 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 ICAI.

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

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

UDIN: 20550530AAAABP2070

Place: New Delhi
Dated: 30th June 2020

Annexure 'B' to the Independent Auditor's Report

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of **Genesis Finance Company Limited** 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, 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 is a 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, 2020 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, 2020 on account of disputes are given below:

S. No.	Assessment Year	Amount (Rs.)	Reason for non-deposit
1	2012-13	3,55,030	Rectification for giving appeal effect is pending with Assessing Officer
2	2013-14	10,42,230	Appeal is pending with CIT (A). Grounds are same as in earlier years in which company has been given relief in appeals.
3	2017-18	4,00,740	Rectification application is pending with Assessing Officer
4	2001-02 to 2019-20 TDS Demand	76,471	Company has requested for details of demands. As the demands are for very old years it is taking time. On receipt of the details necessary action will be taken by the company. The amount involved is insignificant.

(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. Loans availed have been applied for the purpose for which they were raised.

(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) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly paid convertible debentures and hence reporting under clause 3(xiv) of the Order is not applicable to the Company.

(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 vide certificate no 14.00023 dated 21-02-1998.

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

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

UDIN: 20550530AAAABP2070

Place: New Delhi
Dated: 30th June 2020

Balance Sheet as on 31st March, 2020

Amount in Rs.

Particulars		Note No.	As at 31.03.2020	As at 31.03.2019	As at 01.04.2018
A	ASSETS				
1	Financial Assets				
	(a) Cash and cash equivalents	4	8,00,849	2,00,836	20,87,607
	(b) Bank balance other than cash and cash equivalents		-	-	-
	(c) Derivative financial instruments		-	-	-
	(d) Receivables		-	-	-
	(i) Trade Receivables		-	-	-
	(ii) Others		-	-	-
	(e) Loans	5	1,32,99,10,448	1,14,56,65,422	1,11,98,37,905
	(f) Investments		-	-	-
	(g) Other financial assets	6	7,20,71,664	7,00,05,290	48,72,504
	Sub-total - Financial Assets		1,40,27,82,961	1,21,58,71,548	1,12,67,98,017
2	Non - Financial Assets				
	(a) Current tax assets (net)		-	-	-
	(b) Deferred tax assets (net)	7	30,49,403	32,21,122	28,29,054
	(c) Property, plant and equipment	8	1,33,14,008	72,22,194	1,67,91,630
	(d) Intangible assets		-	-	-
	(e) Other Non-financial assets	9	1,40,002	1,05,457	3,28,806
	Sub-total - Non-Financial assets		1,65,03,413	1,05,48,773	1,99,49,490
	TOTAL - ASSETS		1,41,92,86,374	1,22,64,20,321	1,14,67,47,507
B	LIABILITIES				
1	Financial Liabilities				
	(a) Derivative financial instruments		-	-	-
	(b) Trade Payables		-	-	-
	(c) Debt Securities		-	-	-
	(d) Borrowings (Other than Debt Securities)	10	44,10,72,280	36,89,50,278	33,00,56,192
	(e) Deposits		-	-	-
	(f) Subordinated liabilities		-	-	-
	(g) Other financial liabilities	11	2,97,04,587	47,93,579	28,01,694
	Sub-total - Financial Liabilities		47,07,76,867	37,37,43,857	33,28,57,886
2	Non-Financial Liabilities				
	(a) Current tax liabilities (Net)	12	2,16,33,937	1,02,76,519	42,77,292
	(b) Provisions	13	74,31,360	58,85,175	56,28,654
	(c) Other non-financial liabilities	14	34,70,330	17,55,691	1,18,86,632
	Sub-total - Non Financial Liabilities		3,25,35,627	1,79,17,385	2,17,92,578
3	Equity				
	(a) Equity Share Capital	15	46,39,71,200	46,39,71,200	43,77,80,800

(b) Instruments entirely equity in nature	16	-	-	9,16,66,120
(b) Other equity	17	45,20,02,680	37,07,87,880	26,26,50,123
Sub-total - Equity		91,59,73,880	83,47,59,080	79,20,97,043
TOTAL - LIABILITIES		1,41,92,86,374	1,22,64,20,321	1,14,67,47,507

The Significant accounting policies and Notes No. 1 to 39 form an integral part of the Standalone Financial Statements.

For MC Jain & Co
Chartered Accountants
FRN 304012E

For and on behalf of the Board
Genesis Finance Company Limited

Sd/-
CA Sahil Singla
 Partner
 MRN: 550530

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

Place: New Delhi
 Date: 30-06-2020

Statement of Profit and Loss for the year ended 31st March, 2020

Amount in Rs

Particulars		Note No.	For year ended 31.03.2020	For year ended 31.03.2019
1	Income			
a	Revenue from operations			
	Interest Income	18	21,27,62,901	14,29,77,265
b	Other income		-	-
	Total Income		21,27,62,901	14,29,77,265
2	Expense			
a	Employee benefit expense	19	1,62,18,072	1,56,93,389
b	Finance Cost	20	5,19,94,706	4,67,78,588
c	Impairment of financial assets	21	42,77,298	-12,52,561
d	Depreciation and amortization	22	26,39,346	31,37,841
e	Other Expenses	23	2,53,43,826	1,97,39,838
f	Loss on sale of assets		-	3,23,195
	Total Expenses		10,04,73,248	8,44,20,290
3	Profit/(Loss) before tax and exceptional items		11,22,89,654	5,85,56,975
4	Exceptional items(net)		-	-
5	Profit/(Loss) before tax for the Period		11,22,89,654	5,85,56,975
6	Tax Expense			
	Current Tax	24	3,09,03,135	1,66,55,130
	Deferred Tax	25	1,71,719	-3,92,068
7	Profit After tax		8,12,14,799	4,22,93,913
8	Other Comprehensive income			
	A. (i) Items that will not be reclassified to Profit or Loss		-	5,12,995
	(ii) income tax related to items that will not be reclassified to Profit or Loss		-	1,44,870
	B. (i) Items that will be reclassified to Profit or Loss		-	-
	(ii) income tax related to items that will be reclassified to Profit or Loss		-	-
	Total other comprehensive income (net of tax)		-	3,68,125
9	Total comprehensive income for the period (7+8)		8,12,14,799	4,26,62,038
10	Paid-up Equity Share Capital (Face Value Rs.10)		46,39,71,200	46,39,71,200

11	Other equity		45,20,02,680	37,07,87,880
12	Basic and diluted earning per share		1.75	0.92

The Significant accounting policies and Notes No. 1 to 39 form an integral part of the Standalone Financial Statements.

For MC Jain & Co
Chartered Accountants
FRN 304012E

For and on behalf of the Board
Genesis Finance Company Limited

Sd/-
CA Sahil Singla
 Partner
 MRN: 550530

Sd/-
Naresh Garg
 Managing Director
 DIN: 00916814

Sd/-
Sangeeta Garg
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Sd/-
Gopal Bisht
 Chief
 Financial
 Officer
 DIN:
 00597160

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

Date: 30-06-2020
 Place: New Delhi

Statement of Cash Flow for the year ended 31st March 2020

Sl. No.	Particulars	Amount in Rs	
		For year ended 31.03.2020	For year ended 31.03.2019
A	<u>CASH FLOW FROM OPERATING ACTIVITIES</u>		
	PROFIT BEFORE TAX	11,22,89,654	5,85,56,975
	ADJUSTMENTS FOR:		
	Interest Income	(21,27,62,901)	(14,29,77,265)
	Depreciation and Amortization	26,39,346	31,37,841
	Finance Cost	5,15,47,493	4,55,59,328
	Impairment loss	42,77,298	(12,52,561)
	Provision for Employee Benefit (Gratuity)	10,17,902	7,69,516
	(Profit)/ Loss on sale of Assets and Investment	-	3,23,195
	Cash from Operation before Working Capital Changes	(4,09,91,209)	(3,58,82,972)
	ADJUSTMENTS FOR CHANGES IN WORKING CAPITAL:		
	(Increase) / Decrease in Loans	(18,55,96,691)	(2,41,00,171)
	(Increase) / Decrease in other Financial Assets	(20,66,374)	(6,51,32,786)
	(Increase) / Decrease in other Non-Financial Assets	(34,545)	2,23,349
	Increase / (Decrease) in other Financial Liabilities	2,49,11,008	19,91,885
	Increase / (Decrease) in other Non-Financial Liabilities	17,14,639	(1,01,30,941)
	Cash inflow from Interest on loans	21,03,65,551	14,25,02,481
	Cash outflow towards finance cost	(5,13,65,753)	(4,55,12,427)
	Cash Generated from Operations	(4,30,63,374)	(3,60,41,582)
	Taxes Paid (net of refunds)	1,95,45,717	1,08,00,774
	Net Cash Generated from Operating Activities	(6,26,09,091)	(4,68,42,355)
B	<u>CASH FLOW FROM INVESTING ACTIVITIES</u>		
	Purchase of Property, Plant & Equipments	(87,31,159)	(9,00,865)
	Proceeds from Property, Plant & Equipments	-	70,09,265
	Net Cash from Investing Activities	(87,31,159)	61,08,400
C	<u>CASH FLOW FROM FINANCING ACTIVITIES</u>		

Proceeds from Share allotment	-	2,61,90,400
Securities Premium received (Net of adjustment on issue of bonus shares)	-	6,54,75,720
Conversion of Debentures	-	(9,16,66,120)
Availment (Repayment) of Borrowings (Other than Debt Securities) (Net of repayments)	7,19,40,263	3,88,47,185
Net Cash used in Financing Activities	7,19,40,263	3,88,47,185
Net increase / (decrease) in Cash and Cash Equivalents	6,00,013	(18,86,771)
Add: Cash and Cash Equivalents at the beginning of the year	2,00,836	20,87,607
Cash and Cash Equivalents at the end of the year	8,00,849	2,00,836
Components of Cash and Cash Equivalents:		
a) Cash on hand	8,00,849	1,79,594
b) Balance with Banks in Current Account	-	21,242
c) Cheque on hand	-	-

The Significant accounting policies and Notes No. 1 to 39 form an integral part of the Standalone Financial Statements.

For MC Jain & Co
Chartered Accountants
FRN 304012E

For and on behalf of the Board
Genesis Finance Company Limited

Sd/-
CA Sahil Singla
Partner
MRN: 550530

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

Place: New Delhi
Date: 30-06-2020

Statement of Changes in Equity for the year ended 31st March, 2020

A Equity Share Capital (Also refer Note No. 15)

Particular	Amount in Rs
Balance at 1 st April 2018	43,77,80,800
Changes in Equity	2,61,90,400
Balance at 31st March 2019	46,39,71,200
Changes in Equity	-
Balance at 31st March 2020	46,39,71,200

B Other Equity (Also refer Note No. 17)

Particular	Reserves and Surplus			Other Comprehensive Income	Total
	Security Premium	Statutory Reserve u/s 45-IC of RBI Act, 1934	Retained Earnings		
Balance at 1st April 2018	10,24,02,000	3,03,50,000	12,98,98,123	-	26,26,50,123
Profit for the year	-	-	4,22,93,913	-	4,22,93,913
Other comprehensive income (net of tax)	-	-	-	3,68,125	3,68,125
Issue of Debenture / Bonus share	6,54,75,720	-	-	-	6,54,75,720
Transfer to special reserve	-	80,00,000	-80,00,000	-	-
Balance at 31 st March 2019	16,78,77,720	3,83,50,000	16,41,92,035	3,68,125	37,07,87,880
Profit for the year	-	-	8,12,14,799	-	8,12,14,799
Other comprehensive income (net of tax)	-	-	-	-	-
Issue of Debenture / Bonus share	-	-	-	-	-
Transfer to special reserve	-	1,62,50,000	-1,62,50,000	-	-
Balance at 31 st March 2020	16,78,77,720	5,46,00,000	22,91,56,835	3,68,125	45,20,02,680

As required by section 45-IC of the RBI Act 1934, the Company maintains a reserve fund and transfers there in a sum not less than twenty per cent of its net profit every year as disclosed in the statement of profit and loss.

The Company cannot appropriate any sum from the reserve fund except for the purpose specified by Reserve Bank of India from time to time. Till date RBI has not specified any purpose for appropriation of Reserve fund maintained under section 45-IC of RBI Act, 1934.

The Significant accounting policies and Notes No. 1 to 39 form an integral part of the Standalone Financial Statements.

For MC Jain & Co
Chartered Accountants
FRN 304012E

For and on behalf of the Board
Genesis Finance Company Limited

Sd/-
CA Sahil Singla
Partner
MRN: 550530

Sd/-
Naresh Garg
Managing Director
DIN: 00916814

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Chief
Financial
Officer
DIN:
00597160

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

Place: New Delhi
Date: 30-06-2020

Notes to financial statements for the year ended 31st March 2020

1 Company overview

Genesis Finance Company Limited ('the Company'), incorporated in New Delhi, India, on 3rd July 1990 is a Non Deposit taking Non-Banking Financial Company ('NBFC') as defined under section 45-IA of the Reserve Bank of India ('RBI') Act, 1934. The Company provides lending services.

2 Significant accounting policies

2.1 Basis of preparation of financial statements

(A) Compliance with Ind-AS

The financial statements of the Company comply in all material aspects with Indian Accounting Standards ('Ind-AS') notified under Section 133 of the Companies Act, 2013 ('the Act') read with the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and other relevant provisions of the Act. Any directions issued by the RBI or other regulators are implemented as and when they become applicable.

For all the periods up to and including the year ended 31st March 2019 the company prepared its financial statements in accordance with Companies (Accounting Standard) Rules 2006 as amended notified under the Act read with Rule 7 of the Companies (Accounts) Rules 2014 (as amended), guidelines issued by the RBI and other generally accepted accounting principles in India (collectively referred to as 'Indian GAAP' or 'Previous GAAP'). The transition to Ind AS has been carried out in accordance with Ind AS 101 First Time adoption of Indian Accounting Standards.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to the existing accounting standard requires a change in the accounting policy hitherto in use.

(B) Presentation of financial statements

The Balance Sheet, the Statement of Changes in Equity and the Statement of Profit and Loss are presented in the format prescribed under Division III of Schedule III of the Act, as amended from time to time, for Non-Banking Financial Companies ('NBFCs') that are required to comply with Ind-AS. The Statement of Cash Flows has been presented as per the requirements of Ind-AS 7 Statement of Cash Flows.

(C) Basis of preparation

The financial statements have been prepared under the historical cost convention on the accrual basis except for certain financial instruments and plan assets of defined benefit plans, which are measured at fair values at the end of each reporting period as explained in the accounting policies below. All amounts disclosed in the financial statements and notes have been rounded off to the nearest rupee (INR) in compliance with Schedule III of the Act, unless otherwise stated.

(D) Use of estimates and judgements

The preparation of financial statements in conformity with Ind-AS requires management to make estimates, judgements and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities (including contingent liabilities) and disclosures as of the date of the financial statements and the reported amounts of revenues and expenses for the reporting period.

Actual results could differ from these estimates. Accounting estimates and underlying assumptions are reviewed on an ongoing basis and could change from period to period. Appropriate changes in estimates are recognized in the periods in which the Company becomes aware of the changes in circumstances surrounding the estimates. Any revisions to accounting estimates are recognized prospectively in the period in which the estimate is revised and future periods. The estimates and judgements that have significant impact on the carrying amount of assets and liabilities at each balance sheet date are discussed in Note 3.

2.2 Financial Instruments**(A) Date of recognition**

Financial assets and financial liabilities are recognized in the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument.

(B) Initial measurement

Recognized financial instruments are initially measured at transaction price, which equates fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit and loss are recognized immediately in the statement of profit and loss.

(C) Classification and subsequent measurement**(i) Financial assets**

Based on the business model, the contractual characteristics of the financial assets and specific elections where appropriate, the Company classifies and measures financial assets at Amortized cost only.

Financial assets carried at amortized cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- a) the asset is held within a business model whose objective is to hold assets to collect contractual cash flows ('Asset held to collect contractual cash flows'); and
- b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest ('SPPI') on the principal amount outstanding.

After initial measurement and based on the assessment of the business model as asset held to collect contractual cash flows and SPPI, such financial assets are subsequently measured at amortized cost using effective interest rate ('EIR') method. Interest income and impairment expenses are recognized in statement of profit and loss. Interest income from these financial assets is included in finance income using the EIR method. Any gain and loss on derecognition is also recognized in statement of profit and loss. The EIR method is a method of calculating the amortized cost of a financial instrument and of allocating interest over the relevant period. The EIR is the rate that exactly discounts estimated future cash flows (including all fees paid or received that form an integral part of the EIR, transaction costs and other premiums or discounts) through the expected life of the instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition. The Company records loans at amortized cost. These financial instruments are in the scope of expected credit loss ('ECL') calculation and are subject to impairment loss according to Ind AS 109.

(ii) Financial liabilities and equity instrument

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

(a) Equity instrument

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. An equity instrument issued by the Company is recognized at the proceeds received, net of directly attributable transaction costs.

(b) Financial liabilities

Financial liabilities are measured at amortized cost. The carrying amounts are determined based on the EIR method. Interest expense is recognized in statement of profit and loss. Any gain or loss on de-recognition of financial liabilities is also recognized in statement of profit and loss. Undrawn loan commitments are not recorded in the balance sheet.

(D) Reclassification

Financial assets are not reclassified subsequent to their initial recognition, apart from the exceptional circumstances in which the Company acquires, disposes of, or terminates a business line or in the period the Company changes its business model for managing financial assets. Financial liabilities are not reclassified.

(E) De-recognition

(i) Financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized when:

- a) The contractual rights to receive cash flows from the financial asset have expired, or
- b) The Company has transferred its rights to receive cash flows from the asset and the Company has transferred substantially all the risks and rewards of the asset, or the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

If the Company neither transfers nor retains substantially all of the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the asset and an associated liability for the amount it may have to pay.

If the Company enters into transactions whereby it transfers assets recognized on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not de-recognized and the proceeds received are recognized as a collateralized borrowing.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognized) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognized in OCI is recognized in statement of profit and loss.

(ii) Financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. In this case, a new financial liability based on the modified terms is recognized at fair value. The difference between the carrying value of the original financial liability and the new financial liability with modified terms is recognized in statement of profit and loss.

(F) Impairment of financial assets

The Company applies the ECL model in accordance with Ind-AS 109 for recognizing impairment loss on financial assets. The ECL allowance is based on the credit losses expected to arise from all possible default events over the expected life of the financial asset ('lifetime ECL'), unless there has been no significant increase in credit risk since

origination, in which case, the allowance is based on the 12-month ECL. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is calculated on a collective basis, considering the non-retail nature of the underlying portfolio of financial assets. The impairment methodology applied depends on whether there has been a significant increase in credit risk. When determining whether the risk of default on a financial asset has increased significantly since initial recognition, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on a provision matrix which takes into account the Company's historical credit loss experience, current economic conditions, forward looking information and scenario analysis.

The expected credit loss is a product of exposure at default ('EAD'), probability of default ('PD') and loss given default ('LGD'). The Company has devised an internal model to evaluate the PD and LGD based on the parameters set out in Ind-AS 109. Accordingly, the financial assets have been segmented into three stages based on the risk profiles. The three stages reflect the general pattern of credit deterioration of a financial asset.

The Company categorizes financial assets at the reporting date into stages based on the days past due ('DPD') status as under:

- a) Stage 1: Low credit risk, i.e. 0 to 30 days past due
- b) Stage 2: Significant increase in credit risk, i.e. 31 to 90 days past due
- c) Stage 3: Impaired assets, i.e. more than 90 days past due

LGD is an estimate of loss from a transaction given that a default occurs. PD is defined as the probability of whether the borrowers will default on their obligations in the future. For assets which are in Stage 1, a 12-month PD is required. For Stage 2 assets a lifetime PD is required while most of the Stage 3 assets are considered to have a 100% PD. EAD represents the expected exposure in the event of a default and is the gross carrying amount in case of the financial assets held by the Company.

The Company incorporates forward looking information into both assessments of whether the credit risk of an instrument has increased significantly since its initial recognition and its measurement of ECL. Based on the consideration of external actual and forecast information, the Company forms a 'base case' view of the future direction of relevant economic variables. This process involves developing two or more additional economic scenarios and considering the relative probabilities of each outcome. The base case represents a most likely outcome while the other scenarios represent more optimistic and more pessimistic outcomes.

The measurement of impairment losses across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances. The Company's ECL calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. The inputs and models used for calculating ECLs may not always capture all characteristics of the market at the date of the financial statements. The Company regularly reviews its models in the context of actual loss experience and makes adjustments when such differences are significantly material. Adjustments including reversal of ECL (if any) are recognized through the statement of profit and loss.

(G) Write offs

The gross carrying amount of a financial asset is written-off (either partially or in full) to the extent that there is no reasonable expectation of recovering the asset in its entirety or a portion thereof. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written-off could still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognized in statement of profit and loss.

(H) Offsetting

Financial assets and financial liabilities are generally reported gross in the balance sheet. They are only offset and reported net when, the Company has a legally enforceable right to offset the recognized amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

2.3 Cash and cash equivalents

Cash and cash equivalents includes cash at banks and on hand, demand deposits with banks, other short term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

Bank overdrafts are shown within borrowings in working capital facilities in the balance sheet. The Company follows the policy of crediting the customer's account only on receipt of amount in the bank and as such no cheques in hand are taken into consideration.

2.5 Property, plant and equipment

(A) Recognition and measurement

Tangible property, plant and equipment are stated at cost less accumulated depreciation and impairment, if any. The cost of property, plant and equipment comprise purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

Advances paid towards acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-financial assets and cost of assets not put to use before such date are disclosed under Capital work-in-progress

(B) Subsequent expenditure

Subsequent expenditure incurred on assets put to use is capitalized only when it increases the future economic benefits / functioning capability from / of such assets.

(C) Depreciation, estimated useful lives and residual value

Depreciation is calculated using the written down value method to write down the cost of property and equipment to their residual values over their estimated useful lives in the manner prescribed in Schedule II of the Act. The estimated lives used and differences from the lives prescribed under Schedule II are noted in the table below:-

Type of Assets	Estimated useful life considered by the Company
Office Equipments	10 years
Electrical installations and Equipment	15 years
Motor Cars	8 years
Motor Cycles, scooter and other mopeds	10 years
Computers	3 years
Furniture & Fixtures	10 years
Buildings (other than factory buildings) RCC Frame Structure	60 years

The Company uniformly estimates five percent residual value for all these assets. Items costing less than Rs. 5,000 are fully depreciated in the year of purchase. Depreciation is pro-rated in the year of acquisition as well as in the year of disposal. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used. Consequently, the useful life of certain computer-related assets, furniture and fixtures, office equipment and motor cars differ from the life prescribed in Schedule II of the Act.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate. Changes in the expected useful life are accounted for by changing the depreciation period or methodology, as appropriate, and treated as changes in accounting estimates.

Property, plant and equipment is de-recognized on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognized in other income/expense in the statement of profit and loss in the year the asset is de-recognized.

2.6 Impairment of non-financial assets

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired due to events or changes in circumstances indicating that their carrying amounts may not be realized. If any such indication exists, the Company estimates the recoverable amount of the asset or the cash generating unit ('CGU'). If such recoverable amount of the asset or the recoverable amount of the CGU to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the statement of profit and loss.

If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the revised recoverable amount, subject to maximum of the depreciated historical cost.

2.7 Dividend

Provision is made for the amount of any dividend declared on or before the end of the reporting period but not distributed at the end of the reporting period, being appropriately authorized and no longer at the discretion of the Company. The final dividend on shares is recorded as a liability on the date of approval by the shareholders, and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

During the current and previous years reported in the financial statements

2.8 Revenue recognition

(A) Income from lending business

Interest income

Interest income on a financial asset at amortized cost is recognized on a time proportion basis taking into account the amount outstanding and the effective interest rate ('EIR'). The EIR is the rate that exactly discounts estimated future cash flows of the financial asset through the expected life of the financial asset or, where appropriate, a shorter period, to the net carrying amount of the financial instrument. The internal rate of return on financial asset after

netting off the fees received and cost incurred approximates the effective interest rate of return for the financial asset. The future cash flows are estimated taking into account all the contractual terms of the instrument.

The interest income is calculated by applying the EIR to the gross carrying amount of non-credit impaired financial assets (i.e. at the amortized cost of the financial asset before adjusting for any expected credit loss allowance). For credit-impaired financial assets the interest income is calculated by applying the EIR to the amortized cost of the credit-impaired financial assets (i.e. the gross carrying amount less the allowance for ECLs).

Other financial charges

Cheque bouncing charges, late payment charges, prepayment charges and application money are recognized on a point-in-time basis, and are recorded when realized since the probability of collecting such monies is established when the customer pays.

2.9 Employee benefits

(A) Gratuity

The Company calculates a defined benefit gratuity plan that provides for gratuity benefit to all employees who have been in employment for at least one completed year. The Company does not make any contributions to fund.

The provision of gratuity is an amount equivalent to 15 days basic salary payable for each completed year of service. Vesting occurs upon completion of five years of service.

2.10 Provisions and contingences

The Company recognizes a provision when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

In cases where the available information indicates that the loss on the contingency is reasonably possible but the amount of loss cannot be reasonably estimated, a disclosure is made in the financial statements.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimates. If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly

within the control of the Company or a present obligation that may arise from past events but probably will not require an outflow of resources to settle the obligation.

When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resource is remote, no provision or disclosure is made. Contingent assets are neither recognized nor disclosed in the financial statements.

2.11 Leases

Effective 01 April 2019, the Company has adopted Ind-AS 116 - Leases and applied it to lease contracts during the year. Based on the same and as permitted under the specific transitional provisions in the standard, the Company is not required to restate the comparative figures as it has entered into lease for first time in the year ended 31 March 2020.

All leases are accounted for by recognizing a right-of-use asset and a lease liability except for:

- Leases of low value assets; and
- Leases with a duration of 12 months or less.

2.12 Goods and services tax paid on acquisition of assets or on incurring expenses

Expenses and assets are recognized net of the goods and services tax paid, except when the tax incurred on a purchase of assets or services is not recoverable from the tax authority, in which case, the tax paid is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable.

The net amount of tax recoverable from, or payable to, the tax authority is included as part of receivables or payables, respectively, in the balance sheet.

2.13 Income tax

(A) Current tax

Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961 in respect of taxable income for the year and any adjustment to the tax payable or receivable in respect of previous years.

(B) Deferred tax

Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- a) Where the deferred tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit and loss.

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except:

- b) When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit and loss.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

2.14 Earnings per share

The Company reports basic and diluted earnings per equity share. Basic earnings per equity share have been computed by dividing net profit / loss attributable to the equity share holders for the year by the weighted average number of equity shares outstanding during the year. Diluted earnings per equity share have been computed by dividing the net profit attributable to the equity share holders after giving impact of dilutive potential equity shares for the year by the weighted average number of equity shares and dilutive potential equity shares outstanding during the year, except where the results are anti-dilutive.

2.15 Segment reporting

Since the company has only one segment no separate disclosure is made in this regards.

2.16 Statement of cash flows

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and items of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

3 Critical accounting estimates and judgements

In the process of applying the Company's accounting policies, management has made the following estimates and judgements, which have a significant impact on the carrying amounts of assets and liabilities at each balance sheet date.

(A) Gratuity provision

The cost of the defined benefit plans and the present value of the defined benefit obligation are based on management valuation. The valuation involves making various assumptions that may differ from actual developments in the future. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. The company has not requested gratuity valuation from a qualified actuary as according to Para 59 of Ind AS 19 it is not mandatory and the management of the company observe that the number of employees are quite less.

(B) Expected credit loss

When determining whether the risk of default on a financial instrument has increased significantly since initial recognition, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and credit assessment and including forward looking information.

(C) Effective interest rate

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected behavioral life of the financial asset to the gross carrying amount of the financial asset.

This estimation, by nature, requires an element of judgement regarding the expected behavior and life-cycle of the instruments, the effect of potentially different interest rates at various stages and other characteristics of the product life cycle (including prepayments and penalty interest and charges) as well expected changes to the base rate and other transaction costs and fees paid or received that are integral parts of the instrument.

(D) Business model assessment

Classification and measurement of financial assets depends on the results of the business model test. The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are

held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

(E) Useful life and expected residual value of assets

Depreciation and amortization is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

(F) Deferred Tax

Deferred tax is recorded on temporary differences between the tax bases of assets and liabilities and their carrying amounts, at the rates that have been enacted or substantively enacted at the reporting date. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable profits during the periods in which those temporary differences become deductible. The Company considers the expected reversal of deferred tax liabilities and projected future taxable income in making this assessment. The amount of the deferred tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carry-forward period are reduced.

(H) Upfront processing fees booked on direct assignment

Processing fees receivable for servicing loan contracts under direct assignment are discounted at the applicable rate entered into with the assignee and recognized upfront in the balance sheet and amortized on a straight line basis over the remaining contractual maturity of the underlying loans.

(I) Provisions and contingences

The Company operates in a regulatory and legal environment that, by nature, has a heightened element of litigation risk inherent to its operations. As a result, it is involved in statutory litigation in the ordinary course of the Company's business. Given the subjectivity and uncertainty of determining the probability and amount of losses, the Company takes into account a number of factors including legal advice, the stage of the matter and historical evidence from similar incidents. Significant judgement is required to conclude on these estimates.

4 Cash and cash equivalents

Amount in Rs

Particulars	As at 31.03.2020	As at 31.03.2019	As at 01.04.2018
a) Cash on hand	8,00,849	1,79,594	62,402
b) Balance with Banks in Current Account	-	21,242	20,25,205
c) Cheques on hand	-	-	-
Total	8,00,849	2,00,836	20,87,607

5 Loans

Amount in Rs

Particulars	As at 31.03.2020	As at 31.03.2019	As at 01.04.2018
A Loans (at amortized cost)			
i) Secured	1,31,08,91,772	1,08,92,22,324	1,07,18,90,562
ii) Unsecured	2,83,96,899	6,20,72,307	5,48,29,113
Total Loans (Gross)	1,33,92,88,672	1,15,12,94,631	1,12,67,19,675
Less: Impairment loss allowance	93,78,224	56,29,209	68,81,770
Total Loans (Net)	1,32,99,10,448	1,14,56,65,422	1,11,98,37,905
B Loans (at amortized cost)			
(I) Loans in India			
a) Public Sector	-	-	-
b) Others	1,33,92,88,672	1,15,12,94,631	1,12,67,19,675
Total Loans in India	1,33,92,88,672	1,15,12,94,631	1,12,67,19,675
(II) Loans outside India			
a) Public Sector	-	-	-
b) Others	-	-	-
Total Loans outside India	-	-	-
Total Loans (Gross)	1,33,92,88,672	1,15,12,94,631	1,12,67,19,675
Less: Impairment loss allowance	93,78,224	56,29,209	68,81,770
Total Loans (Net)	1,32,99,10,448	1,14,56,65,422	1,11,98,37,905

Stage wise impairment of Loans (As at 31.03.2020)

Amount in Rs

Particulars	Loan Amount (A)	Impairment provisioning (B)	% (age) (B/A)
a) Stage 1	1,29,22,92,476	65,63,115	0.51%
b) Stage 2	3,14,19,392	8,79,743	2.80%
c) Stage 3	1,55,76,804	19,35,366	12.42%
Total	1,33,92,88,672	93,78,224	

Stage wise impairment of Loans (As at 31.03.2019)

Amount in Rs

Particulars	Loan Amount (A)	Impairment provisioning (B)	% (age) (B/A)
a) Stage 1	1,13,10,36,596	28,27,592	0.25%
b) Stage 2	2,08,92,370	20,89,237	10.00%
c) Stage 3	7,12,380	7,12,380	100.00%
Total	1,15,26,41,346	56,29,209	

Stage wise impairment of Loans (As at 01.04.2018)

Amount in Rs

Particulars	Loan Amount (A)	Impairment provisioning (B)	% (age) (B/A)
a) Stage 1	1,10,86,59,837	44,34,640	0.40%
b) Stage 2	1,73,47,458	17,34,750	10.00%

c) Stage 3	7,12,380	7,12,380	100.00%
Total	1,12,67,19,675	68,81,770	

Loans at amortized cost (Net of impairment)**Amount in Rs**

Particulars	As at 31.03.2020	As at 31.03.2019	As at 01.04.2018
Current	60,22,44,405	41,39,15,984	61,01,06,787
Non-Current	72,76,66,043	73,17,49,438	50,97,31,118
Total	1,32,99,10,448	1,14,56,65,422	1,11,98,37,905

Also refer Note No. 33 and 34 for comparison of provisions under Ind AS & IRACP norms and analysis of movement of loans & impairment.

6 Other financial assets**Amount in Rs**

Particulars	As at 31.03.2020	As at 31.03.2019	As at 01.04.2018
a) Interest accrued but not due	49,88,271	49,75,043	43,57,580
b) Staff advance	-	3,000	23,000
c) Refundable deposits	6,57,19,213	6,50,27,247	4,91,924
d) Security deposits	13,64,180	-	-
Total	7,20,71,664	7,00,05,290	48,72,504

7 Deferred tax assets**Amount in Rs**

Particulars	As at 31.03.2020	As at 31.03.2019	As at 01.04.2018
a) due to Depreciation on Property, plant and equipments	12,80,448	15,83,866	12,78,219
b) due to Employee benefits (Gratuity)	17,68,955	16,37,256	15,50,835
Total	30,49,403	32,21,122	28,29,054

8 Property, Plant & Equipments

Amount in Rs

Particulars	Office Equipments	Electrical installations and Equipment	Motor Cars (other than those used in business of running them on hire)	Motor Cycles, scooter and other mopeds	Computers (End user devices such as desktop, laptops, etc)	Furniture & Fixtures	Buildings (other than factory buildings) RCC Frame Structure	Total
Gross Block as on 01.04.2018	6,32,701	1,58,000	2,76,98,812	62,318	35,08,390	2,25,000	1,00,000	3,23,85,221
Addition during the period	82,500	-	6,25,000	-	1,93,365	-	-	9,00,865
Deletion during the period	-	-	1,03,94,952	-	-	-	-	1,03,94,952
Gross Block as on 31.03.2019	7,15,201	1,58,000	1,79,28,860	62,318	37,01,755	2,25,000	1,00,000	2,28,91,134
Depreciation till 01.04.2018	5,47,804	1,50,100	1,12,72,674	29,524	33,27,843	2,13,750	51,896	1,55,93,591
WDV as on 01.04.2018	84,897	7,900	1,64,26,138	32,794	1,80,547	11,250	48,104	1,67,91,630
Depreciation for the year	31,302	-	30,35,143	8,490	60,563	-	2,343	31,37,841
Depreciation on asset sold during the year	-	-	30,62,492	-	-	-	-	30,62,492
Depreciation till 31.03.2019	5,79,106	1,50,100	1,12,45,325	38,014	33,88,406	2,13,750	54,239	1,56,68,940
WDV as on 31.03.2019	1,36,095	7,900	66,83,535	24,304	3,13,350	11,250	45,761	72,22,194
Gross Block as on 01.04.2019	7,15,201	1,58,000	1,79,28,860	62,318	37,01,755	2,25,000	1,00,000	2,28,91,134
Addition during the period	-	-	76,41,130	-	2,82,730	8,07,300	-	87,31,159
Deletion during the period	-	-	-	-	-	-	-	-
Gross Block as on 31.03.2020	7,15,201	1,58,000	2,55,69,990	62,318	39,84,485	10,32,300	1,00,000	3,16,22,293
Depreciation till 01.04.2019	5,79,106	1,50,100	1,12,45,325	38,014	33,88,406	2,13,750	54,239	1,56,68,940
Depreciation for the year	27,821	-	23,21,988	6,292	2,50,159	30,857	2,229	26,39,346
Depreciation till 31.03.2020	6,06,927	1,50,100	1,35,67,313	44,306	36,38,565	2,44,607	56,468	1,83,08,286
WDV as on 31.03.2020	1,08,274	7,900	1,20,02,677	18,012	3,45,920	7,87,693	43,532	1,33,14,008

9 Other Non-financial assets**Amount in Rs**

Particulars	As at 31.03.2020	As at 31.03.2019	As at 01.04.2018
a) Balance with Revenue departments	1,40,002	1,05,457	3,28,806
b) Other Non-financial assets	-	-	-
Total	1,40,002	1,05,457	3,28,806

10 Borrowings (Other than Debt Securities)**Amount in Rs**

Particulars	As at 31.03.2020	As at 31.03.2019	As at 01.04.2018
A			
(Borrowings at amortized cost)			
a) Term Loans			
i) Secured Loan from Bank	17,39,82,696	19,66,29,564	17,47,85,315
ii) Secured Loan from Others (NBFC)	40,74,211	58,03,352	1,12,77,613
b) Loans repayable on demand			
i) Secured Working capital from Bank	4,21,85,419	9,11,25,578	8,46,50,501
c) Loans from Related parties			
i) Unsecured Loan from directors	18,59,59,444	3,92,22,488	3,83,20,573
ii) Unsecured Loan from related companies	2,23,50,318	1,36,44,413	17,71,649
d) Other Loans			
i) Unsecured Loan from other companies	1,25,20,192	2,25,24,883	1,92,50,541
Total A	44,10,72,280	36,89,50,278	33,00,56,192
B			
i) Borrowings in India	44,10,72,280	36,89,50,278	33,00,56,192
ii) Borrowings outside India	-	-	-
Total B	44,10,72,280	36,89,50,278	33,00,56,192

Borrowings**Amount in Rs**

Particulars	As at 31.03.2020	As at 31.03.2019	As at 01.04.2018
a) Current			
i) Working capital loan repayable on demand	4,21,85,419	9,11,25,578	8,46,50,501
ii) Current maturity of term loans from Banks and NBFC	2,82,11,415	2,72,78,651	8,56,91,183
b) Non-Current			
	37,06,75,445	25,05,46,049	15,97,14,508
Total	44,10,72,280	36,89,50,278	33,00,56,192

Details about nature of securities given to Banks / NBFC:

1. Borrowings of secured term loan from banks and secured working capital from banks are 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.

Term loans are repayable in 83 monthly installments and working capitals is payable on demand. Interest is payable at MCLR plus 4.75% for term loans and MCLR plus 2.00% for working capital.

2. Vehicle loans from Banks and NBFC are secured against hypothecation of vehicle, repayable in 60 equated monthly installments. Interest rate is from 8.00% to 9.10% p.a.

Maturity of term loans from banks outstanding on 31st March 2020

Financial Year	Amount in Rs
2020-21	2,63,63,356
2021-22	2,64,41,868
2022-23	2,65,27,830
2023-24	2,66,21,949
2024-25	2,67,24,996
2025-26	2,55,36,000
2026-27	1,57,66,696
Total	17,39,82,696

Maturity of term loans from NBFC outstanding on 31st March 2020

Financial Year	Amount in Rs
2020-21	18,48,059
2021-22	20,47,910
2022-23	1,78,242
Total	40,74,211

11 Other financial liabilities **Amount in Rs**

Particulars	As at 31.03.2020	As at 31.03.2019	As at 01.04.2018
a) Expenses payable	52,07,670	47,93,579	28,01,694
b) Margin money from customers	2,44,96,917	-	-
Total	2,97,04,587	47,93,579	28,01,694

12 Current tax liabilities (Net) **Amount in Rs**

Particulars	As at 31.03.2020	As at 31.03.2019	As at 01.04.2018
Opening Balance	1,02,76,519	42,77,292	42,77,292
Add: Provision made	2,89,98,254	1,68,00,000	-
Less: Tax paid	1,76,40,836	1,08,00,774	-
Closing balance	2,16,33,937	1,02,76,519	42,77,292

13 Provisions **Amount in Rs**

Particulars	As at 31.03.2020	As at 31.03.2019	As at 01.04.2018
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a) Provision for Employee benefit (Gratuity) (Unfunded)	69,03,077	58,85,175	56,28,654
b) COVID provision on Loans as per RBI guidelines	5,28,283	-	-
Total	74,31,360	58,85,175	56,28,654

14 Other Non-financial liabilities **Amount in Rs**

Particulars	As at 31.03.2020	As at 31.03.2019	As at 01.04.2018
a) Statutory dues payable	20,20,330	17,55,691	18,77,367
b) Advances received	14,50,000	-	70,09,265
c) Other liabilities	-	-	30,00,000
Total	34,70,330	17,55,691	1,18,86,632

15 Equity Share Capital **Amount in Rs**

Particulars	As at 31.03.2020	As at 31.03.2019	As at 01.04.2018
(I) Authorized share capital			
4,70,00,000 (31st March 2019 - 4,70,00,000 & 1st April 2018 - 4,70,00,000) Equity shares of Rs.10 each	47,00,00,000	47,00,00,000	47,00,00,000
(I) Issued, subscribed and paid up share capital			
4,63,97,120 (31st March 2019 - 4,63,97,120 & 1st April 2018 - 4,37,78,080) Equity shares of Rs.10 each	46,39,71,200	46,39,71,200	43,77,80,800
Total	46,39,71,200	46,39,71,200	43,77,80,800

Reconciliation of number of Equity shares outstanding

Particulars	No of shares	Amount in Rs
Balance at 1st April 2018	4,37,78,080	43,77,80,800
Add: Shares issued on conversion of Debentures	3,27,380	32,73,800
Add: Shares issued by way of bonus shares	22,91,660	2,29,16,600
Balance at 31st March 2019	4,63,97,120	46,39,71,200
Add: Shares issued on conversion of Debentures	-	-
Add: Shares issued by way of bonus shares	-	-
Balance at 31st March 2020	4,63,97,120	46,39,71,200

Shareholders holding more than 5% of equity shares as at the end of the year

Particulars	As at 31.03.2020	As at 31.03.2019	As at 01.04.2018
Genesis Dream Merchants Private Limited	78,53,728 (16.93%)	78,53,728 (16.93%)	62,82,304 (14.35%)
Bhagwati Devi	45,06,880 (9.71%)	45,06,880 (9.71%)	45,06,880 (10.29%)
Sangeeta Garg	44,80,560 (9.66%)	44,80,560 (9.66%)	44,80,560 (10.23%)
Shashi Bala Garg	42,47,680 (9.16%)	42,47,680 (9.16%)	NIL (0.00%)
Prateet Garg	35,73,048 (7.70%)	35,73,048 (7.70%)	35,73,048 (8.16%)
Naresh Garg	35,48,480 (7.65%)	35,48,480 (7.65%)	35,48,480 (8.10%)
Sahil Garg	28,30,704 (6.10%)	28,30,704 (6.10%)	28,30,704 (6.46%)
Nirmala Devi	27,92,000 (6.02%)	27,92,000 (6.02%)	27,92,000 (6.37%)
Sharan Tayal	23,66,552 (5.10%)	9,85,600 (2.12%)	9,85,600 (2.25%)
Vikas Garg	NIL (0.00%)	NIL (0.00%)	42,47,680 (9.70%)

The company has one class of equity shares having a par value of rupees 10 per share. Each shareholder is eligible for one vote per share held.

16 Instruments entirely equity in nature **Amount in Rs**

Particulars	As at 31.03.2020	As at 31.03.2019	As at 01.04.2018
Debentures			
7% Privately Placed Compulsorily Convertible Debentures of Rs 280 each	-	-	9,16,66,120
Total	-	-	9,16,66,120

17 Other Equity **Amount in Rs**

Particulars	As at 31.03.2020	As at 31.03.2019	As at 01.04.2018
a) Security Premium	16,78,77,720	16,78,77,720	10,24,02,000
b) Statutory Reserve	5,46,00,000	3,83,50,000	3,03,50,000
c) Retained Earnings	22,91,56,835	16,41,92,035	12,98,98,123
d) Other Comprehensive Income	3,68,125	3,68,125	-
Total	45,20,02,680	37,07,87,880	26,26,50,123

18 Interest Income **Amount in Rs**

Particulars	For year ended 31.03.2020	For year ended 31.03.2019
a) Interest on loans at amortized cost	21,27,62,901	14,29,77,265
b) Interest on loans at FVOCI	-	-
c) Interest on loans at FVTPL	-	-
Total	21,27,62,901	14,29,77,265

Interest on loans at amortized cost **Amount in Rs**

Particulars	For year ended 31.03.2020	For year ended 31.03.2019
a) Interest received	21,03,65,551	14,25,02,481
b) Processing fees amortized as per EIR approach	23,97,350	4,74,784
Total	21,27,62,901	14,29,77,265

19 Employee benefit expense **Amount in Rs**

Particulars	For year ended 31.03.2020	For year ended 31.03.2019
a) Staff Salary (including bonus, conveyance, etc)	69,65,000	69,65,355
b) Director Remuneration (Refer Note No. 26)	77,75,000	76,50,000
c) Gratuity expense	10,17,902	7,69,516
d) Staff Welfare Expenses	4,60,170	3,08,518
Total	1,62,18,072	1,56,93,389

20 Finance Cost **Amount in Rs**

Particulars	For year ended 31.03.2020	For year ended 31.03.2019
a) Interest Paid at amortized cost		
(i) to Banks / FI for Term Loans	1,96,58,511	1,94,22,294
(ii) to Banks / FI for Working capital	82,14,932	1,13,46,749
(iii) to Others	2,36,74,050	1,47,90,284
b) Other Interest	21,944	1,518
c) Bank Charges	4,25,269	12,17,743
Total	5,19,94,706	4,67,78,588

Interest paid to Banks/ FI for Term Loans at amortized cost **Amount in Rs**

Particulars	For year ended 31.03.2020	For year ended 31.03.2019
a) Interest paid	1,94,76,771	1,93,75,393
b) Processing fees amortized as per EIR approach	1,81,740	46,901
Total	1,96,58,511	1,94,22,294

21 Impairment of financial assets **Amount in Rs**

Particulars	For year ended 31.03.2020	For year ended 31.03.2019
a) Impairment on Loans at amortized cost	37,49,015	-12,52,561
b) COVID provision on Loans as per RBI guidelines	5,28,283	-
Total	42,77,298	-12,52,561

Stage wise impairment of Loans**Amount in Rs**

Particulars	For year ended 31.03.2020	For year ended 31.03.2019
a) Stage 1	37,35,523	-40,54,178
b) Stage 2	2,71,259	20,89,237
c) Stage 3	-2,57,767	7,12,380
Total	37,49,015	-12,52,561

23 Other expenses**Amount in Rs**

Particulars	For year ended 31.03.2020	For year ended 31.03.2019
Advertisement	55,855	1,04,760
Annual General Meeting Expenses	6,31,313	5,44,850
Annual Listing Fees	2,58,550	1,50,000
Audit Fees (Refer Note No. 27)	2,00,000	2,00,000
Books & Periodicals	26,454	29,695
Business Promotion Expenses	11,24,569	9,40,856
Club Expenses	12,308	38,317
Collection Charges	-	1,09,800
Commission	57,18,200	66,76,750
Computer Operation & Maintenance	1,06,068	1,60,000
Conference Expenses	62,16,112	16,51,209
Conveyance Expenses	3,95,239	4,60,879
Courier & Postage	15,942	21,357
Donation	-	3,50,000
Electricity & Water Expenses	5,55,567	9,65,569
Fees & Registraton	93,480	54,514
Festival Expenses	37,050	1,29,268
Filing Fees	12,600	11,900
Generator Expenses	31,500	64,590
Insurance Expenses	2,34,594	3,14,330
Legal & Professional Expenses	27,55,990	25,70,600
Miscellaneous Expenses	1,77,193	1,47,592
Office Repair & Maintenance	28,57,207	20,92,142
Printing Stationery & Photostat	1,70,227	2,31,709
Property Tax	4,471	7,180

Rates & taxes(GST)	1,85,708	4,41,931
Rental Expenses (Refer Note No. 31)	11,76,015	-
Software Expenses	1,23,898	24,709
Telephone Expenses	94,881	1,16,471
Travelling Expenses	18,00,172	8,21,534
Vehicle Running & Maintenance	2,72,662	3,07,326
Total	2,53,43,826	1,97,39,838

24 Components of Income tax expense: Amount in Rs

Particulars	For year ended 31.03.2020	For year ended 31.03.2019
a) Current year tax expense	2,89,98,254	1,68,00,000
b) Previous year tax expense	19,04,881	-
Total	3,09,03,135	1,68,00,000

25 Components of Deferred tax expense: Amount in Rs

Particulars	For year ended 31.03.2020	For year ended 31.03.2019
a) due to Depreciation on Property, plant and equipments	3,03,418	-3,05,647
b) due to Employee benefits (Gratuity)	-1,31,699	-86,421
Total	1,71,719	-3,92,068

26 Break up of payment to the directors Amount in Rs

Particulars	For year ended 31.03.2020	For year ended 31.03.2019
a) Director remuneration	77,75,000.00	76,50,000.00
b) Director sitting fees	-	-
Total	77,75,000.00	76,50,000.00

27 Break up of payment to the auditors (excluding GST) Amount in Rs

Particulars	For year ended 31.03.2020	For year ended 31.03.2019
a) Statutory Audit Fees	1,00,000.00	1,00,000.00
b) Tax Audit Fees	50,000.00	50,000.00
c) Other Matters including certification	50,000.00	50,000.00
Total	2,00,000.00	2,00,000.00

28 Statement of Reconciliation of Balance Sheet as per IGAAP and Ind AS for previous reporting periods

Amount in Rs

Particulars	As at 31.03.2019			As at 01.04.2018		
	IGAAP	Adjustments	Ind AS	IGAAP	Adjustments	Ind AS
A ASSETS						
1 Financial Assets						
(a) Cash and cash equivalents	2,00,836	-	2,00,836	20,87,607	-	20,87,607
(b) Bank balance other than cash and cash equivalents	-	-	-	-	-	-
(c) Derivative financial instruments	-	-	-	-	-	-
(d) Receivables	-	-	-	-	-	-
(i) Trade Receivables	-	-	-	-	-	-
(ii) Others	-	-	-	-	-	-
(e) Loans	1,15,26,41,346	-69,75,925	1,14,56,65,422	1,12,67,19,675	-68,81,770	1,11,98,37,905
(f) Investments	-	-	-	-	-	-
(g) Other financial assets	7,00,05,290	-	7,00,05,290	48,72,504	-	48,72,504
Sub-total - Financial Assets	1,22,28,47,473		1,21,58,71,548	1,13,36,79,787		1,12,67,98,017
2 Non - Financial Assets						
(a) Current tax assets (net)	-	-	-	-	-	-
(b) Deferred tax assets (net)	32,21,122	-	32,21,122	28,29,054	-	28,29,054
(c) Property, plant and equipment	72,22,194	-	72,22,194	1,67,91,630	-	1,67,91,630
(d) Intangible assets	-	-	-	-	-	-
(e) Other Non financial assets	1,05,457	-	1,05,457	3,28,806	-	3,28,806

Sub-total - Non-Financial assets	1,05,48,773		1,05,48,773	1,99,49,490		1,99,49,490
TOTAL - ASSETS	1,23,33,96,246		1,22,64,20,321	1,15,36,29,277		1,14,67,47,507

Particulars	As at 31.03.2019			As at 01.04.2018		
	IGAAP	Adjustments	Ind AS	IGAAP	Adjustments	Ind AS
B LIABILITIES						
1 Financial Liabilities						
(a) Derivative financial instruments	-	-	-	-	-	-
(b) Trade Payables	-	-	-	-	-	-
(c) Debt Securities	-	-	-	-	-	-
(d) Borrowings (Other than Debt Securities)	36,98,84,377	-9,34,099	36,89,50,278	33,00,56,192	-	33,00,56,192
(e) Deposits	-	-	-	-	-	-
(f) Subordinated liabilities	-	-	-	-	-	-
(g) Other financial liabilities	47,93,579	-	47,93,579	28,01,694	-	28,01,694
Sub-total - Financial Liabilities	37,46,77,956		37,37,43,857	33,28,57,886		33,28,57,886
2 Non Financial Liabilities						
(a) Current tax liabilities (Net)	1,02,76,519	-	1,02,76,519	42,77,292	-	42,77,292
(b) Provisions	1,15,14,384	-56,29,209	58,85,175	1,25,10,424	-68,81,770	56,28,654
(c) Other non financial liabilities	17,55,691	-	17,55,691	1,18,86,632	-	1,18,86,632
Sub-total - Non Financial Liabilities	2,35,46,594		1,79,17,385	2,86,74,348		2,17,92,578
3 Equity						
(a) Equity Share Capital	46,39,71,200	-	46,39,71,200	43,77,80,800	-	43,77,80,800
(b) Instruments entirely equity in nature	-	-	-	9,16,66,120	-	9,16,66,120
(b) Other equity	37,12,00,497	-4,12,617	37,07,87,880	26,26,50,123	-	26,26,50,123
Sub-total - Equity	83,51,71,697		83,47,59,080	79,20,97,043		79,20,97,043
TOTAL - EQUITY AND LIABILITIES	1,23,33,96,246		1,22,64,20,321	1,15,36,29,277		1,14,67,47,507

29 Statement of Reconciliation of profit as per IGAAP and Ind AS for previous reporting periods

Particulars	Amount in Rs	
	For year ended 31.03.2019	
Net profit as per Previous IGAAP	4,30,74,654.31	
<i>Add (Less): Adjustments</i>		
Processing fee paid to bank carried forward as per EIR approach	9,81,000.00	
Processing fee paid to bank amortized during the tenure of loan taken as per EIR approach	-46,901.00	
Processing fee received carried forward as per EIR approach	-18,21,500.00	
Processing fee received amortized during the tenure of loan given as per EIR approach	4,74,784.22	
Remeasurement of defined benefit obligations (Actuarial gain)	-5,12,995.00	
Income tax on Remeasurement of defined benefit obligations (Actuarial gain)	1,44,870.00	
Profit after tax as per Ind AS for the year ended 31st March 2019	4,22,93,912.53	
<i>Other Comprehensive income</i>		
Remeasurement of defined benefit obligations (Actuarial gain)	5,12,995.00	
Income tax on Remeasurement of defined benefit obligations (Actuarial gain)	1,44,870.00	
Total Comprehensive income as per Ind AS for the year ended 31st March 2019	4,26,62,037.53	

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

LIABILITIES SIDE

S No	Particulars	Amount in Rs Lakhs	
		Amount Outstanding	Amount Overdue
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	1,780.57	Nil
	(d) Inter-corporate Loans and borrowings	2,208.30	Nil
	(e) Commercial Paper	Nil	Nil
	(f) Public Deposits	Nil	Nil
	(g) Cash Credit/ Working Capital Limit from Bank	421.85	Nil

2	Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid):			
	(a)	In the form of unsecured debentures	Nil	Nil
	(b)	In the form of secured debentures i.e.. debentures where there is a shortfall in value of security	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) below):			
	(a)	Secured		13,108.92
	(b)	Unsecured		283.97
		Total		13,392.89
4	Break-up of Leased Assets and stock on hire and hypothecation loans counting towards 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 towards 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		
		(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
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<u>Long Term 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	
	(a) Equity	Nil
	(b) Preference	Nil
	(ii) Debentures and Bonds	Nil
	(iii) Units of mutual funds	Nil
	(iv) Government Securities	Nil
	(v) Investement in property	Nil

6	Borrower group-wise classification of all leased assets, stock on hire and loans and advances Please see Note 2 below			
	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	13,020.97	278.13	13,299.10
	Total	13,020.97	278.13	13,299.10

7	Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):		
	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
8		Other Information		Amount
	(i)	Gross Non-Performing Assets		
	(a)	Related Parties		Nil
	(b)	Other than Related Parties		155.77
	(ii)	Net Non-Performing Assets		
	(a)	Related Parties		Nil
	(b)	Other than Related Parties		136.41
	(iii)	Assets acquired in satisfaction of debts		Nil

31 Disclosure for rental expense

The company has entered into rent agreements for the first time during the year ended 31st March 2020.

The agreements are cancellable after 3 years of lock in period.

Future cashflow of rental expense

Period	For year ended 31.03.2020	For year ended 31.03.2019
Not later than 1 year	28,25,568	-
Later than 1 year but not later than 5 years	40,02,888	-
Later than 5 years	-	-

32 Related Party Transactions

A List of related party and relationship:

i) Key management personnel

- (a) Naresh Garg (Managing director)
- (b) Sangeeta Garg (Whole time director)
- (c) Gopal Bisht (Whole time director and CFO)
- (d) Neeti Alwani (Company secretary)
- (e) Umang Sarkar (Non executive independent director)
- (f) Ashish Ghai (Non executive independent director)
- (g) Feroz Malik (Non executive independent director)

ii) Relative of key management personnel

- (a) Prateet Garg
- (b) Sahil Garg

iii) **Company in which key management personnel is interested**

- (a) Genesis Dream Merchants Private Limited
 (b) Kaizen Realtors Private Limited

B Related party transactions during the year:

Particulars	Amount in Rs	
	For year ended 31.03.2020	For year ended 31.03.2019
i) Naresh Garg		
(a) Director remuneration paid	42,00,000	42,00,000
(b) Loan repaid by the company	3,38,25,000	1,23,06,023
(c) Loan taken by the company	16,34,42,996	95,29,890
(d) Closing balance for the year	14,07,98,135	2,19,93,831
(e) Interest paid on loan taken (Gross of TDS)	1,24,22,377	26,10,435
ii) Sangeeta Garg		
(a) Director remuneration paid	30,00,000	30,00,000
(b) Loan repaid by the company	-	32,19,800
(c) Loan taken by the company	2,51,00,000	28,39,800
(d) Closing balance for the year	4,51,61,309	1,72,28,657
(e) Interest paid on loan taken (Gross of TDS)	31,47,391	18,98,508
iii) Gopal Bisht		
(a) Director remuneration paid	5,75,000	4,50,000
iv) Neeti Alwani		
(a) Remuneration Paid	2,04,000	2,04,000
v) Sahil Garg		
(a) Professional Charges Paid	-	15,00,000
vi) Prateet Garg		
(a) Professional Charges Paid	12,50,000	-
vii) Genesis Dream Merchants Private Limited		
(a) Conversion of debentures into equity shares	-	5,49,99,840
(b) Loan repaid by the company	7,21,50,000	14,42,00,000
(c) Loan taken by the company	7,85,50,000	15,08,00,000
(d) Closing Balance for the year	2,01,92,484	1,16,58,036
(e) Interest paid on loan taken (Gross of TDS)	23,71,610	56,20,040
viii) Kaizen Realtors Private Limited		
(a) Conversion of debentures into equity shares	-	1,24,99,760
(b) Loan repaid by the company	54,657	2,71,649

(c) Loan taken by the company	-	3,00,000
(d) Closing balance for the year	21,57,834	19,86,377
(e) Interest paid on loan taken (Gross of TDS)	2,51,238	2,07,086

33 Comparison of Impairment Loss provisioning as per Ind AS and IRACP norms as at 31st March 2020

						Amount in Rs
Asset classification as per RBI Norms (1)	Asset classification as per Ind AS (2)	Gross Carrying Amount as per Ind AS (3)	Loss allowance (provisions) as per Ind AS 109 (4)	Net Carrying Amount as per Ind AS (5) = (3) - (4)	Provisions required as per IRACP norms (6)	Difference between provisions as per Ind AS and IRACP norms (7) = (4) - (6)
Performing Assets (PA)						
Standard	Stage 1	1,29,22,92,476	65,63,115	1,28,57,29,361	51,69,170	13,93,945
Standard	Stage 2	3,14,19,392	8,79,743	3,05,39,649	1,25,678	7,54,065
Subtotal for PA (a)		1,32,37,11,868	74,42,858	1,31,62,69,010	52,94,847	21,48,010
Non Performing Assets (NPA)						
Sub Standard (b)	Stage 3	1,48,07,531	11,66,093	1,36,41,438	14,80,753	-3,14,660
Doubtful upto 1 year	Stage 3	-	-	-	-	-
Doubtful from 1 year to 3 years	Stage 3	7,69,273	7,69,273	-	7,69,273	-
Doubtful more than 3 years	Stage 3	-	-	-	-	-
Subtotal for Doubtful (c)		7,69,273	7,69,273	-	7,69,273	-
Loss (d)	Stage 3	-	-	-	-	-
Subtotal for NPA (b+c+d)		1,55,76,804	19,35,366	1,36,41,438	22,50,026	-3,14,660
Total	Stage 1	1,29,22,92,476	65,63,115	1,28,57,29,361	51,69,170	13,93,945
	Stage 2	3,14,19,392	8,79,743	3,05,39,649	1,25,678	7,54,065
	Stage 3	1,55,76,804	19,35,366	1,36,41,438	22,50,026	-3,14,660
	Total	1,33,92,88,672	93,78,224	1,32,99,10,448	75,44,874	18,33,350

34 Analysis of Stage wise movements of loans and impairment loss

Amount in Rs

Loans	As at 31st March 2020			
	Stage 1	Stage 2	Stage 3	Total
Opening balance	1,13,10,36,596	2,08,92,370	7,12,380	1,15,26,41,346
Changes during the year (disbursal net of repayments)	19,34,44,544	-60,84,839	-7,12,380	18,66,47,325
Transfer to Stage 1	-	-	-	-
Transfer to Stage 2	-3,14,19,392	31419392	-	-
Transfer to Stage 3	-7,69,273	-1,48,07,531	1,55,76,804	-
Closing balance	1,29,22,92,476	3,14,19,392	1,55,76,804	1,33,92,88,672

Amount in Rs

Impairment loss	As at 31st March 2020			
	Stage 1	Stage 2	Stage 3	Total
Opening balance	28,27,592	20,89,237	7,12,380	56,29,209
Changes during the year (disbursal net of repayments)	38,98,397	-16,74,626	-7,12,380	15,11,391
Transfer to Stage 1	-	-	-	-
Transfer to Stage 2	-1,58,982	8,79,743	-	7,20,761
Transfer to Stage 3	-3,893	-4,14,611	19,35,366	15,16,863
Closing balance	65,63,115	8,79,743	19,35,366	93,78,224

Amount in Rs

Loans	As at 31st March 2019			
	Stage 1	Stage 2	Stage 3	Total
Opening balance	1,10,86,59,837	1,73,47,458	7,12,380	1,12,67,19,675
Changes during the year (disbursal net of repayments)	2,72,76,759	-13,55,088	-	2,59,21,671
Transfer to Stage 1	-	-	-	-
Transfer to Stage 2	-49,00,000	49,00,000	-	-
Transfer to Stage 3	-	-	-	-
Closing balance	1,13,10,36,596	2,08,92,370	7,12,380	1,15,26,41,346

Amount in Rs

Impairment loss	As at 31st March 2019			
	Stage 1	Stage 2	Stage 3	Total
Opening balance	44,34,640	17,34,750	7,12,380	68,81,770
Changes during the year (disbursal net of repayments)	-15,94,798	-1,35,513	-	-17,30,311
Transfer to Stage 1	-	-	-	-
Transfer to Stage 2	-12,250	4,90,000	-	4,77,750
Transfer to Stage 3	-	-	-	-
Closing balance	28,27,592	20,89,237	7,12,380	56,29,209

35 Segment Reporting

The company is primarily engaged in the financing activities and all other activities revolve around the main business of the company the financial results of the company have been prepared in accordance with the companies Indian accounting standards rules 2015 as amended and as prescribed under section 133 of the companies act 2013 and all activities are conducted within India and as such there is no reportable separate segment as per the India is 108 operating segments.

36 Disclosure under Micro, Small and Medium Enterprises Development Act, 2006

There are no amount due to Micro and Small scale business enterprises, which are outstanding for more than 45 days as at 31st March 2020. This information is required to be disclosed under Micro, Small and Medium Enterprises Development Act, 2006 and has been determined on the basis of information available with the company.

37 Disclosure on impact of COVID 19 on business

In accordance with the RBI guidelines relating to COVID-19 Regulatory Package dated 27 March 2020 and 17 April 2020, the lending institutions have been permitted to grant a moratorium of three months on payment of all installments and / or interest, as applicable, falling due between 1 March 2020 and 31 May 2020 ('moratorium period') to eligible borrowers in accordance with the Board approved policy. For all such accounts where the moratorium is granted, the asset classification shall remain stand still during the moratorium period.

The Company holds provisions as at 31 March 2020 against the potential impact of COVID-19 based on the information available at this point in time.

38 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)

39 Previous year figures have been regrouped/rearranged, where necessary.

For M C Jain & Co
Chartered Accountants
FRN: 304012E

For and on behalf of the Board
GENESIS FINANCE COMPANY LIMITED

Sd/-	Sd/-	Sd/-	Sd/-	Sd/-
CA Sahil Singla	Naresh Garg	Sangeeta Garg	Gopal Bisht	Neeti Alwani
Partner	Managing	Whole Time	Chief Financial	Company
MRN: 550530	Director	Director	Officer	Secretary
	DIN: 00916814	DIN: 01117956	DIN: 00597160	M.No A 45231

Place: New Delhi

Dated: 30th June 2020