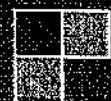


28<sup>th</sup>  
AGM

# Annual Report 2017-2018

Experience  
Genesis. Get Loan

Genesis Finance Company Limited  
CIN: L65910DL1990PLC040705



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## **COMPANY INFORMATION**

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**GENESIS FINANCE COMPANY LIMITED**  
**CIN: L65910DL1990PLC040705**

### **Board of Directors**

**Mr. Naresh Garg**  
*Chairman, Executive Director*  
**Ms. Sangeeta Garg**  
*Executive Director*  
**Mr. Gopal Singh Bisht**  
*Executive Director*  
**Mr. Kapil Berera**  
*Non-Executive Director*  
**Mr. Umang Sarkar**  
*Independent Non-Executive Director*  
**Mr. Aashish Ghai**  
*Independent Non-Executive Director*

**Mr. Umang Sarkar**  
*Chairman*  
**Mr. Aashish Ghai**  
*Member*  
**Mr. Kapil Berera**  
*Member*

### **Risk Management Committee**

**Mr. Naresh Garg**  
*Chairman*  
**Ms. Sangeeta Garg**  
*Member*  
**Mr. Gopal Singh Bisht**  
*Member*

### **Committees of the Board**

#### **Audit Committee**

**Mr. Umang Sarkar**  
*Chairman*  
**Mr. Aashish Ghai**  
*Member*  
**Mr. Kapil Berera**  
*Member*

### **Registered Office Address**

4 MMTC/STC Market Geetanjali, New Delhi-  
110017

### **Auditors**

G. Singh & Co., Chartered Accountants

### **Company Secretary**

Neeti Alwani

### **Stakeholder Relationship**

#### **Committee**

**Mr. Umang Sarkar**  
*Chairman*  
**Ms. Sangeeta Garg**  
*Member*  
**Mr. Naresh Garg**  
*Member*

### **Chief Financial Officer**

Mr. Gopal Singh Bisht

### **Registrar & Transfer Agents**

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

### **Nomination & Remuneration and Evaluation Committee**

### **Website**

<http://genesisfinance.net/>

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<b>S.NO.</b>	<b>PARTICULARS</b>
1.	Notice
2.	Board of Director's Report and its Annexure
3.	Independent Auditor's Report
4.	Financial Statements
5.	Proxy Form
6.	Attendance Slip
7.	Ballot Form
8.	Route Map

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## Notice

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### **Notice of the 28<sup>th</sup> Annual General Meeting**

Notice is hereby given that 28<sup>th</sup> Annual General Meeting of the members of Genesis Finance Company Limited will be held on Saturday, 29<sup>th</sup> September 2018 at 11.00 a.m. at the registered office of the Company at 4 MMTC/STC Market Geetanjali, New Delhi -110017 to transact the following business:


**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Financial Statements of the Company for financial year ended 31<sup>st</sup> March, 2018 together with the Report of the Board of Directors and the Auditors thereon.

“RESOLVED THAT, the Audited Financial Statements of the Company for the Financial Year ended March 31, 2018 together with the reports of Board and Auditors thereon be and hereby received, considered and adopted.”

2. To consider and appoint Directors in place of Mr. Kapil Berera (DIN: 00080085), who retires by rotation and being eligible offers himself for re-appointment.

For and on behalf of  
**M/S GENESIS FINANCE COMPANY LIMITED**

  
  
**Nagesh Garg**  
(Managing Director)  
DIN- 00916814

**Date: 29/08/2018**  
**Place: New Delhi**

## NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING, IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE, INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER. A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY. FURTHER, A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS PROXY FOR ANY OTHER PERSON OR MEMBER. THE INSTRUMENT APPOINTING PROXY MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY AT 4 MMTC/STC MARKET, GEETANJALI, NEW DELHI-110017 NOT LESS THAN 48 HOURS BEFORE THE TIME OF HOLDING THE MEETING. A BLANK PROXY FORM IS ATTACHED HEREWITH THE ANNUAL REPORT.
2. The notice of AGM is being sent to those members/beneficial owners whose name will appear in the register of members/list of beneficiaries received from the depositories as on August 25, 2018.
3. The copy of Annual Report, notice of 33rd Annual General Meeting, notice of e-voting etc. are being sent to the members through e-mail who have registered their e-mail ids with the Company/ Depository Participant (DPs)/Company's Registrar and Transfer Agent (RTA). Members are requested to update their preferred e-mail ids with the Company/ Depository Participant (DPs)/ Company's Registrar and Transfer Agent (RTA), which will be used for the purpose of future communications. Members whose e-mail id is not registered with the Company are being sent physical copies of the Notice at their registered address through permitted mode.
4. Members whose e-mail ids are registered with the Company and who wish to receive printed copy of the Annual Report may send their request to the Company at its registered office.
5. Corporate members intending to send their authorized representatives to attend the meeting are requested to send a certified true copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
6. All the documents referred in the Notice, Annual Report, and Register of Director's Shareholding are open for inspection, during the business hours, at the Registered Office of the Company upto and including the date of Annual General Meeting.
7. The register of Members and Share Transfer books of the Company shall remain closed during the Book Closure period i.e., 23.09.2017 to 29.09.2017, both days inclusive.
8. Shareholder seeking any information with regard to the accounts is requested to write to the Company at an early date but not later than 10 days before the scheduled date of holding of Annual General Meeting.
9. Additional information, pursuant to Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, in respect of Directors seeking appointment/re-appointment at the AGM, is furnished as annexure to the Notice. The

Directors have furnished consent/declaration for their appointment/re-appointment as required under the Companies Act, 2013 and the Rules thereunder.

10. Members, who still hold shares in physical form are advised to dematerialize their shareholding to avail the numerous benefits of dematerialization, which include easy liquidity, ease of trading and transfer, savings in stamp duty and elimination of any possibility of loss of documents and bad deliveries.
11. Members/proxies are requested to bring the attendance slip/proxy form duly filled and signed for attending the meeting. Proxies are requested to bring their ID proof at the meeting for the purpose of identification.
12. The notice of the Annual General Meeting of the Company is also been uploaded on the website of the Company i.e., [genesisfinance.net](http://genesisfinance.net).

### 13. E-voting

In compliance with the provisions of section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as substituted by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide its members facility to exercise their right to vote on resolutions proposed to be passed in the meeting by electronic means. The members may cast their votes using an electronic voting system from a place other than the venue of the Meeting ("remote e-voting").

14. In terms of provisions of Section 107 of the Companies Act, 2013, since the Company is providing the facility of remote e-voting to the shareholders, there shall be no voting by show of hands at the AGM. The facility for ballot / polling paper shall be made available at the Meeting and the members attending the Meeting who have not cast their vote by remote e-voting shall be able to vote at the Meeting through ballot / polling paper.
15. The shareholders can opt for only one mode of voting i.e. remote e-voting or physical polling at the meeting. In case of voting by both the modes, vote casted through remote e-voting will be considered final and voting through physical ballot will not be considered. The members who have cast their vote by remote e-voting may also attend the Meeting.
  - a. The instructions for members for voting electronically: -
    - i. Log on to e-voting website; [www.evotingindia.com](http://www.evotingindia.com).
    - ii. Click on the "Shareholders" tab to cast your votes.
    - iii. Now, select "Genesis Finance Company Limited" from the drop-down menu and click on "SUBMIT".
    - iv. Now enter your User ID
      - 1) For CDSL:16 digits beneficiary ID
      - 2) For NSDL:8 Character DPID followed by 8 Digits Client ID,
      - 3) Members holding shares in Physical Form should enter Folio Number registered with the Company.
    - v. Next enter the Captcha Code as displayed and Click on Login.
    - vi. If you are holding shares in Demat form and had logged onto [www.evotingindia.com](http://www.evotingindia.com) and casted your vote earlier for EVSN of any Company, then your existing password is to be used.

- vii. If you are a first time user follow the steps given below and fill up the following details in the appropriate boxes:

Details	For Members holding shares in Demat Form and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li> <li>In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.</li> </ul>
Dividend Bank Details	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p>
OR Date of Birth (DOB)	<ul style="list-style-type: none"> <li>If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).</li> </ul>

- viii. After entering these details appropriately, click on "SUBMIT" tab.
- ix. Members holding shares in physical form will then reach directly to the company selection screen. However, Members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and please take utmost care to keep your password confidential.
- x. For Members holding shares in physical form, the details can be used only for e-voting on their solutions contained in this Notice.
- xi. Click on the EVSN for **Genesis Finance Company Limited**.
- xii. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same, the option "YES/NO" for voting. Select the option "YES" or "NO" as desired. The option "YES" implies that you assent to the Resolution and option "NO" implies that you dissent to the Resolution.

- xiii. Click on the "Resolutions File Link" if you wish to view the entire Resolutions.
  - xiv. After selecting there solution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm our vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
  - xv. Once you "CONFIRM" your vote on the solution, you will not be allowed to modify your vote.
  - xvi. You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
  - xvii. If Demat account holder has forgotten the changed password then Enter the User ID and Captcha Code, then click on "Forgot Password" & enter the details as prompted by the system.
  - xviii. Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.
  - xix. They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - xx. After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
  - xxi. The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - xxii. They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favor of the Custodian, if any, in PDF format in the system for the Scrutinizer to verify the same.
  - xxiii. The voting period begins on September 26, 2017 (9.00a.m.) and ends on September 28, 2017 (5.00p.m.). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of September 22, 2017, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
  - xxiv. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.co.in](http://www.evotingindia.co.in) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- b. The voting rights of the members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date (record date) of September 22, 2017.
  - c. A copy of this notice has been placed on the website of the Company and the website of CDSL.
  - d. Mr. Samrish Bhanja, Company Secretary in Practice (COP No. - 4835) of M/s B. Samrish & Co. has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
  - e. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a



Scrutinizer's Report of the votes cast in favor or against, if any, forthwith to the Chairman of the Company.

- f. The Results shall be declared on or after the Annual General Meeting of the Company. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website [genesifinance.net](http://genesifinance.net) and on the website of CDSL within 3 (three) days of passing of the resolutions at the Annual General Meeting and will be communicated to Stock Exchanges wherein shares of the company are listed.

16. THE COMPANY WHOLE HEARTEDLY WELCOMES MEMBERS/PROXIES AT THE ANNUAL GENERAL MEETING OF THE COMPANY. THE MEMBERS / PROXIES MAY PLEASE NOTE THAT NO GIFTS / GIFT COUPONS WILL BE DISTRIBUTED AT THE ANNUAL GENERAL MEETING.

## Annexure to the Notice

### Item no. 2 relating to re-appointment of the director

Additional Information on Directors recommended for appointment/re-appointment as required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Kapil Berera (DIN 00080085), aged 54 years, is the Director of the Company since 1995. Mr. Berera has been appointed as Operations Manager at Ct. Cotton Yarn Ltd. For 4 years. He started his own Travel Company under the name of Astral Travels Private Limited. His experience of almost 18 years not only includes his own company profile but his portfolio rather includes experience in Hospitality Management, Hotel Bookings, Wedding Planning, Corporate Financing, Event Management, Tour Operations and many more.

<b>Name of the Director</b>	Mr. Kapil Berera
<b>Age</b>	54 years
<b>Date of First Appointment</b>	02.03.1995
<b>Expertise in Specific Functional Area</b>	Hospitality Management, Hotel Bookings, Wedding Planning, Corporate Financing, Event Management, Tour Operations
<b>Directorship held in other Companies as on 31.03.2018</b>	1. Luxury Couch Hotel Bookings Private Limited 2. Shashikala Trading LLP
<b>No. of equity shares held in the Company</b>	52,000
<b>Director Identification No.</b>	00080085

## DIRECTOR'S REPORT

Dear Members,

Your Board of Directors take immense pleasure in presenting the Twenty Eighth Annual Report along with the Audited Financial Statements for the Financial Year ended on 31<sup>st</sup> March, 2018 of Genesis Finance Company Limited. Further, in compliance with the Companies Act, 2013 the Company has made all requisite disclosures in this Board Report with the objective of accountability and transparency in its operations to make you aware about its performance and future perspective of the Company.

### 1. FINANCIAL RESULTS

Particulars	Year ended March 31 <sup>st</sup> , 2018 (in lacs)	Year ended March 31 <sup>st</sup> , 2017 (in lacs)
Total Income (including other income)	1,450.99	1,382.71
Expenditure	932.09	906.77
Gross Profit before Interest, Depreciation and Taxation	518.9	475.94
Less: Depreciation and amortization expenses	71.75	11.09
Profit before Tax	447.14	464.85
Less :Tax Paid	154.61	180.08
Profit After Tax	292.53	284.77
Balance brought forward	---	---
Surplus carried forward	---	---
Transfer to reserves	292.53	284.77

### 2. EXTRACT OF ANNUAL RETURN

In terms of provisions of Section 134(3) (a) of the Companies Act, 2013, the extract of Annual Return as provided under sub-section (3) of section 92 of the Companies Act, 2013 in form MGT-9 has been placed on website of the company, i.e., [www.genesisfinance.net](http://www.genesisfinance.net) pursuant to the Section 36 of the Companies (Amendment) Act, 2017 effective from 31<sup>st</sup> July, 2018.

### 3. INFORMATION ON STATE OF THE COMPANY AFFAIRS

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.

During the year under review, the Company has earned a profit before tax of Rs. 447.14 Lacs as compared to Net Profit before tax of Rs 464.85 Lacs in the previous year. The total income from Finance and other activity of Company has also been increased from Rs 1,382.71 Lacs to Rs 1,450.99 Lacs.

Depicting the growth parameter from the angle of financial aspect, the steady walk of the company continues. The environment wasn't very stable but the growth is commendable in the present situations. We have assurances and belief in our plans and strategies and so consider it to be the crop growing season that has been passed and coming forth is the harvesting year.

#### 4. MEETINGS DURING THE FINANCIAL YEAR

##### ✦ BOARD MEETINGS

The Board met 10 (Ten) times during the financial year. The maximum interval between any two Board meetings did not exceed 120 days.

During the period under review, The Board of Directors have met on the following dates:

Board Meetings	Board Meeting Date
1 <sup>st</sup> Board Meeting	08-04-2017
2 <sup>nd</sup> Board Meeting	21-07-2017
3 <sup>rd</sup> Board Meeting	29-08-2017
4 <sup>th</sup> Board Meeting	09-10-2017
5 <sup>th</sup> Board Meeting	30-10-2017
6 <sup>th</sup> Board Meeting	12-12-2017
7 <sup>th</sup> Board Meeting	02-01-2018
8 <sup>th</sup> Board Meeting	15-01-2018
9 <sup>th</sup> Board Meeting	27-02-2018
10 <sup>th</sup> Board Meeting	28-03-2018

##### ✦ COMMITTEE MEETINGS

The committees of the Board met several times as required under various provisions of the law.

#### 5. MATERIAL CHANGE IN THE NATURE OF THE BUSINESS AFFECTING FINANCIAL POSITION OF THE COMPANY

The Securities of the company has been placed in the Dissemination Board by the circular no. CIR/MRD/DSA/05/2015 of SEBI dated 17th April, 2015. The information was received by the Company vide a mail dated 12<sup>th</sup> July 2015 stating the list of the companies which have been shifted to the Dissemination Board of the Bombay Stock Exchange of India.

The Companies exclusively listed on de-recognized Stock Exchanges were given an opportunity vide letter dated 19<sup>th</sup> November, 2014 for either direct listing to Recognised Stock Exchange or for De-listing. The Company could not take any step on either of the legs and hence it was shifted to Dissemination Board by the Delhi Stock Exchange along with other 1000 plus companies. However, the Board of Directors of the company have taken step to list their securities on Metropolitan Stock Exchange of India Limited. However, the Company continues to operate its NBFC business.

In order to expand its operations, the company has expanded its business by infusion of fresh capital. Authorized Share Capital of the Company has been increased from Rs. 6,00,00,000 (Rupees Six crores) divided into 60,00,000 (Sixty Lakh) Equity Shares of Rs. 10/- each to Rs. 47,00,00,000 (Rupees Forty Seven Crores) divided into 4,70,00,000 (Four Crores Seventy Lakh) Equity Shares of Rs. 10/- each.

The Company has also made a bonus issue of 3,60,14,160 equity shares in the ratio of 1:7 raking paripassu with the existing equity shareholders of the Company. The Company has also converted its 3,27,380 convertible debentures into equity shares and made bonus issue of 22,91,660 equity shares to the holders of CGDS whose shares are converted into equity in furtherance to regulation 93 of SEBI ( Issue of Capital and Disclosure Requirements) Regulations, 2015.

#### **6. DIRECTORS' 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. As required under Section 134(5) and 134(3)(c) of Companies Act, 2013, and based upon the detailed representation, due diligence and inquiry thereof your Board of Directors assures and confirms as under -

- (a) In the preparation of the annual accounts for the financial year ended on 31st March, 2018, the applicable Accounting Standards have been followed and there are no material departures from the same;
- (b) The Directors have selected accounting policies were applied consistently and the Directors 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 as at 31<sup>st</sup> March, 2018 and of the profit of the Company for that period.
- (c) Proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) The annual accounts have been prepared on 'going concern' basis;
- (e) Internal financial controls have been laid down by the Company and such financial controls were adequate and operating effectively and;

(f) Proper systems had been devised in compliance with the provision of all the applicable laws and such systems were adequate and operating effectively.

**7. A STATEMENT ON DECLARATION GIVEN BY INDEPENDENT DIRECTORS UNDER SUB SECTION (6) OF SECTION 149**

The Company has received declarations from Mr. Umang Sarkar and Mr. Aashish Ghai that they meet with the criteria of independence as prescribed under subsection (6) of section 149 of the Companies Act, 2013.

**8. DIVIDEND & RESERVES**

In view with the decent growth prospects and probability for a boom in the industry the retaining of profits is advised by the finance team of the company for having higher returns. Consequently, Directors of the Company have decided to retain the profits for the operations of the company. As such, the Board has not recommended any Dividend for the year under review. Henceforth, the Company has transferred net profit for the year amounting to Rs. 3,12,92,748.35 to Reserves & Surplus.

**9. SUBSIDIARY, JOINT VENTURES AND ASSOCIATE COMPANIES**

During the year under review, your Company does not have any subsidiaries or joint ventures or associate companies as defined under Companies Act, 2013.

**10. DEPOSITS**

The Company has neither invited nor accepted any deposits from the public or its employees within the meaning of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014 during the year under review.

**11. DIRECTORS AND KEY MANAGERIAL PERSONNEL(KMP)**

The Board of Directors of the Company is duly constituted during the Financial year 2017-18. As per provision of Section 152 of the Companies Act, 2013, Kapil Berera (DIN: 00080085) retires by rotation at the ensuing Annual General Meeting and being eligible offer himself for reappointment. All the Directors have given his declaration in terms of section 164(2) of the Companies Act, 2013 to the effect that he is not disqualified from being re-appointed as a Director of the Company.

The Independent Directors namely Mr. Umang Sarkar (DIN: 03172902) and Mr. Aashish Ghai (DIN: 07276636) have given their declaration of independence in terms of Section 149 of the Companies Act, 2013. One meeting of the Independent Directors excluding all other Directors of the Company was held as required under rule 8 of Schedule IV to the Companies Act, 2013,

wherein they reviewed the performance of the Executive Directors of the Company, Chairperson of the Company and assessed the quality, quantity and timelines of flow of information.

The Key Managerial Personnel (KMP) namely, Naresh Garg, Managing Director, Mrs. Sangeeta Garg, Whole-time director and Mr. Gopal Singh Bisht, Whole-time Director and Chief Financial Officer continues to hold office during the year under review.

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

The information required under Section 197(12) of the Companies Act, 2013 read with Rule 5(2) and (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is annexed to this report. None of the employees listed in the said Annexure-I is related to any Director of the Company.

## **13. CORPORATE GOVERNANCE REPORT**

Pursuant to Regulation 72 of SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015, the report on Corporate Governance together with the Auditors' 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-II.

## **14. AUDITOR'S REPORT**

### **• Statutory Audit**

The Statutory audit of the Company for the financial year 2017-18 is done by M/s. G. Singh & Co., Chartered Accountants (Firm Registration No. 0512589C), who were appointed as Auditors of the Company in the Twenty Seventh (27<sup>th</sup>) Annual General Meeting of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of 32<sup>nd</sup> Annual General Meeting. He was appointed in place of retiring auditors M/s. P.K. & Co., Chartered Accountants.

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

Further, no fraud has been reported by the auditor, pursuant to the provision of Section 143(12) of the Companies Act, 2013.

- **Secretarial Audit and Internal Audit**

The Company is not listed on any Stock Exchange consequent to derecognition of Delhi Stock Exchange (hereinafter referred to as "DSE") vide Order No. WTM/PS/45/MRD/DSA/NOV/2014. After DSE's derecognition, securities of GFCL were placed on the dissemination board of Bombay Stock Exchange (BSE). On the basis of above mentioned facts, it is unclear whether the Company will be treated as listed or unlisted. Hence, considering this scenario there is no requirement to have a secretarial auditor as well as an internal auditor.

**15. DISCLOSURE RELATING TO RISK MANAGEMENT POLICY**

The Company constituted a Risk Management Committee comprising of senior executives and framed a Risk Management Policy in terms of Companies Act, 2013 and rules framed there under.

The management of the Company has duly adopted the Risk Management Policy as per the requirements of the Companies Act, 2013. Further they had taken adequate measure in its implementation by identifying various element of risk which may cause serious threat to the existence of the Company.

**16. VIGIL MECHANISM/ NOMINATION AND REMUNERATION POLICY**

The Board of Directors has formulated vigil mechanism for the Directors and employees to report genuine concerns and such mechanism shall provide adequate safeguards against victimization of persons who use such mechanism and made provision for direct access to the chairperson of the Audit Committee in appropriate or exceptional cases. The Board has also on the recommendation of the Nomination and Remuneration Committee framed a policy for determining selection, appointment of Directors, Key Managerial Personnel, their Independence and remuneration.

**17. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS - SECTION 186**

The Company has not given any Loans, Guarantees or security in connection with a loan to any other body corporate or person or made any Investments covered under the provisions of Section 186 of the Companies Act, 2013.

**18. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES REFERRED TO IN SUB SECTION 1 OF SECTION 188**

There were no instances of contracts or arrangements entered by the Company under sub-section (1) of section 188 of the Companies Act, 2013 with the related parties As required under sub-section 134 (3) (h) of the Companies Act, 2013 form AOC-2 is furnished in Annexure-III.



#### **19. 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.

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

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

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

#### **21. PARTICULARS REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION**

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.

#### **22. PARTICULARS REGARDING EXPENDITURE INCURRED ON RESEARCH AND DEVELOPMENT AND FOREIGN EXCHANGE EARNINGS & OUTGO**

The Company has not incurred any expenditure on Research & Development during the financial year 2017-18. Further, the Company has no earning or outgo in Foreign exchange as per Rule 8(3) of Companies (Accounts) Rules, 2014.

#### **23. REPORT ON MANAGEMENT DISCUSSION ANALYSIS**

As required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, management discussion and analysis report is annexed as Annexure-IV to this report.

#### **24. CORPORATE SOCIAL RESPONSIBILITY**

Pursuant to the provision of Section 135 of the Companies Act, 2013, Corporate Social Responsibility Policy is not applicable to your Company. Accordingly, the CSR Committee was not constituted.

## **25. COMPLIANCE WITH SECRETARIAL STANDARDS**

During the year, Company is in compliance of both erstwhile and revised Secretarial Standards- 1 (Meetings of the Board of Directors) and Secretarial Standards - 2 (General Meetings) effective from 01st October, 2017.

## **26. SEXUAL HARASSMENT REPORT**

There were no incidences of sexual harassment reported during the year under review, in terms of the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

However, the Company ensures safe and conducive work environment to its employees and there have been no complaints of sexual harassment.

## **27. DISCLOSURE ON MAINTENANCE OF COST RECORDS**

The Company is not engaged in the activities prescribed under sub-section (1) of section 148 of the Companies Act, 2013. Therefore, the company is not required to maintain cost records as specified by the Central Government.

## **28. General Disclosure**

No disclosure or reporting is required in respect of the following items, as there were no transactions on these items, during the year under review:

- Issue of equity shares with differential rights as to dividend, voting or otherwise.
- Issue of shares (including sweat equity shares) to employees of the Company under any scheme ESOP.
- Provision of money by Company for purchase of its own shares by employees or by trustees for the benefit of employees.

## **29. ACKNOWLEDGEMENT**

Your Directors wish to express their grateful appreciation for the valuable support and co-operation received from sub-brokers, business associates, vendors, bankers, financial institutions, investors, stakeholders, registrar and share transfer agent, other business affiliates and media.

The Board 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 stakeholders for their continued co-operation and support to the company and looks forward to the continuance of this supportive relationship in future.



Your Directors also place on record their deep sense of appreciation for the devoted services of the employees during the year under review.

For and on Behalf of the Board  
GENESIS FINANCE COMPANY LIMITED

A handwritten signature in black ink, appearing to read 'Nareesh Garg', written over the circular stamp.



**NAREESH GARG**  
Managing Director  
DIN: - 00916814  
Address: - B-24 GF,  
GEETANJALI ENCALVE,  
NEW DELHI 110017

A handwritten signature in black ink, appearing to read 'Sangeeta Garg', written over the circular stamp.



**SANGEETA GARG**  
Whole-Time Director  
DIN: - 01117956  
Address: - J-130 SAKET,  
NEW DELHI 110017

Date: - August 29, 2018  
Place: - New Delhi

## ANNEXURE I

### PARTICULARS OF EMPLOYEES AND REMUNERATION

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

1. The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2017-2018:

S. No.	Name(s) of Director(s)	Designation	Ratio to Median Remuneration
1.	Naresh Garg	Managing Director	8.75:1
2.	Sangeeta Garg	Whole-Time Director	6.25:1
3.	Gopal Singh Bisht	Whole-Time Director	0.80:1

2. The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year 2017-2018:

S. No.	Name(s) of KMP	Designation	Percentage Increase
1.		N.A	
2.			

3. Other Details required under Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

S. No.	Particulars	
i)	Percentage increase in the median remuneration of employees in the financial year:	Not Applicable
ii)	Number of permanent employees on the rolls of company:	Number: 17
iii)	Average percentile increase already made in the salaries of employees other than the managerial	Not Applicable

## **ANNEXURE I**

	personnel in the last financial year:	
iv)	Comparison of Average percentile increase in the salaries of employees other than the managerial personnel with the percentile increase in the managerial remuneration and justification thereof:	Not Applicable
v)	Affirmation:	The Board affirms that the remuneration is as per the remuneration policy of the company.

## ANNEXURE I

### 4. Details of top 10 employees in terms of remuneration drawn

S. No	Name of Employee	Designation	Remuneration Received	Nature of Remuneration (contractual or otherwise)	Qualifications and experience	Date of commencement of employment	Age of employee	Last employment held before joining Company	% Equity shares held by the employee	Whether relative of any director or manager? If yes, then name of Director or Manager
1	Naresh Garg	Managing Director	42,00,000	Permanent Employee	M.Com	01/07/1994	57	N/A	35,48,480	Yes, Sangeeta Garg
2	Sangeeta Garg	Whole Time Director	30,00,000	Permanent Employee	Graduate	01/11/1997	50	N/A	44,80,560	Yes, Naresh Garg
3	Ashudeep Singh Suri	Manager-Finance and Mortgage	12,00,000	Permanent Employee	Graduate	01/08/2017	27	N/A	-	-
4	Gopal Bisht	Whole Time Director	3,85,800	Permanent Employee	Graduate	01/12/1995	48	N/A	4,000	-
5	Vinod Tayal	Vice President	8,61,000	Permanent Employee	Graduate	01/08/2011	48	N/A	14,04,784	-

ANNEXURE I

6	Naman Soni	Taxation	7,20,000	Permanent Employee	Graduate	01/07/2015	28	N/A	-
7	Rahul Agarwal	Collection	7,20,000	Permanent Employee	Graduate	01/04/2014	38	N/A	-
8	Sharan Tayal	Head operation	6,39,000	Permanent Employee	Graduate	01/11/1996	47	N/A	9,85,600
9	Priyanka Agarwal	Document ation	4,80,000	Permanent Employee	Graduate	01/04/2014	38	N/A	-
10	Akash Jain	Accounts	4,80,000	Permanent Employee	Graduate	06/01/2012	27	N/A	-

## ANNEXURE I

**5. 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


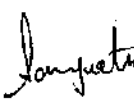
- c. Are employed throughout the financial year or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or 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  
GENESIS FINANCE COMPANY LIMITED



**NARESH GARG** \*  
Managing Director  
DIN: - 00916814  
Address: - B-24 GF,  
GEETANJALI ENCALVE,  
NEW DELHI 110017



**SANGEETA GARG** \*  
Whole-Time Director  
DIN: - 01117956  
Address: - J-130 SAKET,  
NEW DELHI 110017

Date: - August 29, 2018  
Place: - New Delhi



## **Annexure-II**

### **CORPORATE GOVERNANCE REPORT**

The Company has been on the Dissemination Board of BSE since 17<sup>th</sup> April, 2015 due to derecognition of Delhi Stock Exchange. Nevertheless, the Company has still tried to comply with the mandatory requirements of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 to the extent possible. The aim of "Good Corporate Governance" is to manage affairs of the Company in a transparent manner in order to maximize long-term value of the Company for the benefit of its shareholders and all other stakeholders.

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

Corporate Governance is a set of systems, processes and principles which ensure that a Company is governed in the best interest of all stakeholders. It is about promoting fairness, equity, transparency, accountability and respect for laws. It provides a structure that works for the benefit of everyone concerned, by ensuring that the Company adheres to ethical standards, laws and accepts best practices. The Company believes that good corporate governance practices enable a Company to attract financial and 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**

The Board of Directors of the Company consists of a Managing Director, Two Executive Directors and Three Non-Executive Directors out of which two are Independent Directors.

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

The Company has laid down a code of conduct for the members of the board and senior management personnel of the Company. The code of conduct has been posted on the Company's website i.e. <http://www.genesisfinance.net>.

The code of conduct has been circulated to all the members of the Board and Senior Management personnel and they have affirmed their compliance with the said code of conduct

## Annexure-II

for the financial year ended 31st March, 2018. A declaration to this effect signed by Mr. Naresh Garg, Managing Director of the Company is appended at the end of this report.

The chairperson of the Board is Mr. Naresh Garg, Managing Director, for the period under review. The composition and membership of other Board/ Committees of Directors is given hereunder:

Name of the Director	Category	Other Directorships	Committee Membership	Committee Chairmanship
Mr. Naresh Garg	Chairman and Managing Director	<ul style="list-style-type: none"> <li>• Genesis Dream Merchants Private Limited</li> <li>• Genesis Holdings Private Limited</li> </ul>	2	1
Mr. Kapil Berera	Non-Executive Director	<ul style="list-style-type: none"> <li>• Luxury Couch Hotel Bookings Private Limited</li> </ul>	2	Nil
Mrs. Sangeeta Garg	Executive Director	<ul style="list-style-type: none"> <li>• Genesis Dream Merchants Private Limited</li> </ul>	2	Nil
Mr. Gopal Singh Bisht	Executive Director	<ul style="list-style-type: none"> <li>• Genesis Holdings Private Limited</li> </ul>	1	Nil
Mr. Umang Sarkar	Non-Executive Independent Director	<ul style="list-style-type: none"> <li>• Visual Impact Security System Private Limited</li> </ul>	3	3
Mr. Aashish Ghai	Non-Executive Independent Director	Nil	2	Nil

### **MEETING OF THE BOARD AND ATTENDANCE THEREAT**

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

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

Board Meetings	Board Meeting Date
1st Board Meeting	08-04-2017
2nd Board Meeting	21-07-2017
3rd Board Meeting	29-08-2017
4th Board Meeting	09-10-2017
5th Board Meeting	30-10-2017
6th Board Meeting	12-12-2017
7th Board Meeting	02-01-2018
8th Board Meeting	15-01-2018
9th Board Meeting	27-02-2018
10th Board Meeting	28-03-2018

## Annexure-II

The attendance of various directors thereat is as under:

Serial No	Name of the director	No of board Meetings attended	Whether attended the last AGM
1.	Mr. Naresh Garg	10	Yes
2.	Mrs. Sangeeta Garg	10	Yes
3.	Mr. Gopal Singh Bisht	10	Yes
4.	Mr. Umang Sarkar	1	Yes
5.	Mr. Aashish Ghai	1	Yes
6.	Mr. Kapil Berera	1	Yes

The Board met once in every quarter to review the quarterly financial results and other items of the agenda and if necessary, additional meetings were held as and when required. The gap between two meetings did not exceed One Hundred Twenty Days.

### **INDEPENDENT DIRECTORS' SEPARATE MEETING**

The Company has laid down a code of conduct for the Independent Directors of the Company and the same is available on the Company's website i.e. <http://www.genesisfinance.net>.

As per the requirement of Regulation 25 of SEBI (LODR) 2015 and Clause VII (1) of Schedule IV of the Companies Act, 2013, the Independent Directors of the Company met on 30<sup>th</sup> March, 2017, inter alia to discuss:

1. Review the performance of non - Independent Directors and the Board of Directors as a whole;
2. Review the performance of the Chairperson of the Company, taking into account the views of the Executive and Non - Executive Directors;
3. 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.

### **Attendance of Directors at Independent Directors Meeting**

Name of the Directors	30 <sup>th</sup> March, 2018
Mr.UmangSarkar	✓
Mr.AashishGhai	✓

### **A. Disclosure Of Relationships Between Directors Inter-Se**

S. No.	Name of the Director	Relationship Interse
1.	Naresh Garg	Husband of Sangeeta Garg
2.	Sangeeta Garg	Wife of Naresh Garg

## Annexure-II

3.	Gopal Singh Bisht	-
4.	Umang Sarkar	-
5.	Aashish Ghai	-
6.	Kapil Berera	-

### **B. Number Of Shares And Convertible Instruments Held By Non- Executive Directors**

During the year under review, the Non-executive Directors namely Mr. Umang Sarkar and Mr. Aashish Ghai did not hold any security of the Company. However, Mr. Kapil Berera, the non- executive director of the Company holds 52,000 equity shares as on 31<sup>st</sup> March, 2018.

### **C. Familiarization Programmes Imparted To Independent Directors**

The Company conducted the familiarization programme for Independent Director as required under Regulation 46 of SEBI (LODR), 2015. The Company's Board of Directors and the Senior management team gathered for a small get-together on the eve of Christmas and New Year where in during the day time sessions were taken by the Managing Director Mr. Naresh Garg and the then Mrs. Sangeeta Garg to enhance the leadership skills and motivation and in the evening few activities were conducted as 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:-

<http://www.genesisfinance.net/corporate-governance.html>

## **3. COMMITTEE OF THE BOARD**

### **I. Audit Committee**

In terms of Regulation 18 of SEBI (LODR), 2015 and Section 177 (1) of the Companies Act, 2013, an audit committee has been properly constituted.

### **A. Composition of Member, Meetings and attendance during the Financial year:-**

Serial No	Name of the Director	Category	No of Committee Meetings held	No. of Committee meetings attended
1.	Mr. Kapil Berera	Non - Executive Director	5	5
2.	Mr. Umang Sarkar	Non - Executive Independent Director	5	5
3.	Mr. Aashish Ghai	Non - Executive Independent Director	5	5

The Chairman of the Audit Committee is Mr. Umang Sarkar, who is a Non - Executive Independent Director and is proficient in financial accounting knowledge as per

## **Annexure-II**

Regulation 18 of SEBI (LODR). He is a Chartered Accountant and holds experience and knowledge of auditing and accounting.

Mr. Gopal Singh Bisht is the Secretary to the Audit Committee until Ms. Necti Alwani was appointed as the Company Secretary of the Company on 2<sup>nd</sup> January, 2018.

- B. Term 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 SEBI (LODR), 2015.

**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/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.

- C.** 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 Listing Agreement/SEBI Listing Regulations and provisions of Section 177 of the Act.

## Annexure-II

### II. Nomination & Remuneration and Evaluation Committee

#### A. Composition

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

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

S. No.	Name of the Director	Category	No of Committee Meetings held	No. of Committee Meetings Attended
1.	Mr. Umang Sarkar	Non-Executive Independent Director	1	1
2.	Mr. Kapil Berera	Non-Executive Director	1	1
3.	Mr. Aashish Ghai	Non-Executive Independent Director	1	1

#### B. Terms of Reference

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

1. 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 carry out evaluation of every Director's performance.
2. 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.
3. 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:

## **Annexure-II**

4. 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.
5. To consider and fix the remuneration package of non-executive and executive Directors including pension rights and any compensation payment.
6. All elements of remuneration package of Directors such as benefits, bonus, stock options, pension etc.
7. Any other work and policy, related and incidental to the objectives of the committee as per provisions of the Act and rules made thereunder.

### **C. Remuneration to Whole-time / Executive / Managing Director**

#### **1. 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 P.F, 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.

#### **2. 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 previous approval of the Central Government.

#### **3. Provisions 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 sanction 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.

### **D. Remuneration to Non-executive / Independent Director**

#### **1. Sitting Fees**

The Non-executive / 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.

## Annexure-II

### 2. 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.

### 3. Stock Options

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

## **E. Criteria for performance evaluation of Independent Directors and the Board**

As per the Regulation 19 of SEBI (LODR), 2015, 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:

1. 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;
2. The Committee shall formulate evaluation criteria for the Board and the Independent Directors which shall be broadly based on:
  - 2.1 Knowledge to perform the role;
  - 2.2 Time and level of participation;
  - 2.3 Performance of duties and level of oversight; and
  - 2.4 Professional conduct and independence.
3. The Board /Independent Directors shall be asked to complete the evaluation forms and submit the same to the Chairman.
4. The formats for Performance Evaluation of the Board of Directors, Non-independent Directors, Chairman and Independent Directors are the part of the Policy.

## **F. Remuneration to KMP, Senior Management Personnel and Other Employees**

The 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



## Annexure-II

recommendation of the Committee. The break-up of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be as per the Company's HR policies.

The VP HR and / or 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 KMP and Senior Managerial Personnel and other employees of the Company shall be approved by the Committee based on the recommendation / presentation by the Principal - HR and / or 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 31<sup>st</sup> March, 2018 are given hereunder:

### Executive Directors (Managing/Whole-Time Directors)

S. No	Name	Salary	Perquisite	Commission	Total
1.	Mr. Naresh Garg	Rs. 42,00,000/-	Nil	Nil	Rs. 42,00,000/-
2.	Mrs. Sangeeta Garg	Rs. 30,00,000/-	Nil	Nil	Rs. 30,00,000/-
3.	Mr. Gopal Singh Bisht	Rs. 3,85,800/-	Nil	Nil	Rs. 3,85,800/-

### Non-Executive Directors

S No.	Name	Sitting Fee	Perquisite	Commission	Total
1.	Mr. Umang Sarkar (Independent)	Nil	Nil	Nil	-
2.	Mr. Kapil Berera	Nil	Nil	Nil	-
3.	Mr. Aashish Ghai (Independent)	Nil	Nil	Nil	-

### III. Stakeholders Relationship Committee

## Annexure-II

The Stakeholder Relationship Committee was constituted in August, 2002 with the name "Investor Grievances Committee and Share Transfer Committee" which has been renamed to - "Stakeholders Relationship Committee" in accordance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 20 of SEBI (LODR), 2015. Mr. Umang Sarkar was appointed as Non-Executive Independent Director and he currently chairs the committee.

S No.	Name of the director	Category	No of Committee Meetings held	No. of Committee meetings attended
1.	Mrs. Sangeeta Garg	Whole Time Director	1	1
2.	Mr. Naresh Garg	Managing Director	1	1
3.	Mr. Gopal Singh Bisht/ Ms. Neeti Alwani	Secretary / Compliance Officer	1	1

Mr. Gopal Singh Bisht is the Secretary to the Audit Committee until Ms. Neeti Alwani was appointed as the Company Secretary of the Company on 2<sup>nd</sup> January, 2018.

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.

**Compliance officer -** Ms. Neeti Alwani  
Company Secretary  
**Address of Compliance Officer -** Genesis Finance Company Limited  
4, MMTC/STC Market, Geetanjali, Delhi - 110017

**Complaints received /resolved-** During the year no complaint was received from shareholders.

**Complaints solved to the satisfaction of the shareholders-** Not applicable

**Number of pending complaints-** Not Applicable, since no complaints were received.

#### **IV. Risk Management Committee**

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

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

## Annexure-II

The composition of the Committee is as follows -

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

### 4. GENERAL BODY MEETINGS

The last three Annual General Meetings were held as per details below:

Year	Day	Date	Time	Location	No of special resolution passed
2015	Wednesday	30.09.2015	12.30 P.M.	B-24 Geetanjali Enclave- New Delhi	NIL
2016	Thursday	29.09.2016	12.30 P.M.	B-24 Geetanjali Enclave- New Delhi	NIL
2017	Saturday	30.09.2017	11:00 A.M.	B-24 Geetanjali Enclave- New Delhi	5

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

### 5. DISCLOSURES

The Company has complied with the requirements of the stock Exchange, SEBI and other Statutory Authorities on all matters related to capital markets prior to the Company being placed on Dissemination Board of the Bombay Stock Exchange vide a circular no. CIR/MRD/DSA/05/2015 dated 17th April, 2015. No penalties or structures have been imposed on the Company by the Stock Exchanges or SEBI prior to 17<sup>th</sup> April, 2015. Nonetheless, the Company files the respective quarterly compliances with the stock exchange.

Pursuant to Section 177(9) and (10) of the Companies Act, 2013 and as per requirement of Schedule V of SEBI(LODR), 2015, the Company has a Whistle Blower Policy for establishing a vigil mechanism for Directors and employees. The policy has been hosted on the website of the Company at - <http://www.genesisfinance.net>

The Company has fully complied with all the mandatory requirements prescribed under Schedule V of SEBI (LODR), 2015.

The Company does not have any material subsidiary.

Disclosure on materially significant related party transactions i.e. transactions of the Company of material nature, with its promoters, the Directors or the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of the

## Annexure-II

**Company at large.-** None of the transactions with any of the related parties were in conflict with the interest of the Company.

### **6. DEMATERIALISATION OF SHARES**

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

### **7. CEO/CFO CERTIFICATION**

The CEO/CFO certificate for the year ended 31 March, 2017 has been annexed at the end of this report. Similarly, the CFO also gives quarterly certification on the financial results while placing the quarterly financial results before the board in terms of Regulation 33 of SEBI (LODR), 2015.

### **8. MEANS OF COMMUNICATION**

The Company is not listed on any Stock Exchange consequent to derecognition of Delhi Stock Exchange (hereinafter referred to as "DSE") vide Order No. WTM/PS/45/MRD/DSA/NOV/2014. After DSE's derecognition, securities of GFCL were placed on the dissemination board of Bombay Stock Exchange (BSE). On the basis of above mentioned facts, it is unclear whether the Company will be treated as listed or unlisted. Therefore, the Company is not complying with the provision regarding advertisement in the newspaper of quarterly results.

All important information relating to Company and its performance including the financial results and shareholding pattern are displayed on the Company's website [www.genesisfinance.net](http://www.genesisfinance.net).

### **9. SHAREHOLDER'S INFORMATION**

- (i) **Annual General Meeting**  
Date and time of Annual General Meeting: Saturday, 29<sup>th</sup> September, 2018 at 11.00 A.M.  
Venue of Annual General Meeting : B-24, Geetanjali Enclave, New Delhi-110017.
- (ii) **Financial Calendar** : 1<sup>st</sup> April, 2017 to 31<sup>st</sup> March, 2018
- (iii) **Dividend Payment Date** : Not Applicable
- (iv) **Listing on Stock Exchanges** : Delhi Stock Exchange (Company was listed on DSE but as of now Company is under Dissemination Board of BSE and applied for listing at Metropolitan Stock Exchange)
- (v) **Stock Code** : N/A
- (vi) **Stock Price Performance / Market price data**: Securities not traded during the year

## Annexure-II

- (vii) Performance in comparison to broad-based indices such as BSE sensex, CRISIL Index etc: N/A
- (viii) Are the securities suspended from trading? If yes, the reason: N/A
- (ix) Registrar to an issue and share transfer agents: Skyline Financial Services Pvt. Ltd.
- (x) Share Transfer system:

M/s Skyline Financial Services Pvt. Ltd are the common agency for undertaking physical transfers and act as depository Registrar. The Board of directors has delegated the power of approving transfer and transmission of share and other matters like consolidation of certificates, issue of duplicate share certificates, dematerialization / dematerialization of shares, to registrar and share transfer agents of the company. All these matters are approved by the Common agency regularly.

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

- (xi) Liquidity of shares: The equity shares of the company are listed for trading at the Delhi Stock Exchanges. However, the Securities were not traded during the year.
- (xii) Distribution of shareholders:

### DISTRIBUTION OF HOLDINGS AS ON 31.03.2018

<b>GENESIS FINANCE COMPANY LIMITED</b>				
<b>DISTRIBUTION OF 4,37,78,080 EQUITY SHARE CAPITAL AS ON :31/03/2018</b>				
<b>Nominal Value of Each Share: Rs. 10.00/-</b>				
Share holding Nominal Value	Number of Shareholders	% to Total Numbers	Share holding Amount	% to Total Amount
(Rs.)			(Rs.)	
1	2	3	4	5
Up To 5,000	160	75.47	143500	0.03
5001 To 10,000	9	4.25	64000	0.01
10001 To 20,000	0	0	0	0
20001 To 30,000	2	0.94	50000	0.01
30001 To 40,000	2	0.94	78000	0.02
40001 To 50,000	4	1.89	183000	0.04
50001 To 1,00,000	6	2.83	483300	0.11
1,00,000 and Above	29	13.68	436779000	99.77
<b>Total</b>	<b>212</b>	<b>100</b>	<b>437780800</b>	<b>100</b>

## Annexure-II

<b>DISTRIBUTION OF 3,27,380 COMPULSORY CONVERTIBLE DEBENTURES AS ON :31/03/2018 Nominal Value of Debenture : Rs. 280.00/-</b>				
Debenture holding Nominal Value (Rs.)	Number of Debentureholders	% to Total Numbers	Debenture holding Amount (Rs.)	% to Total Amount
1	2	3	4	5
Up To 5,000	0	0	0	0
5001 To 10,000	0	0	0	0
10001 To 20,000	0	0	0	0
20001 To 30,000	0	0	0	0
30001 To 40,000	0	0	0	0
40001 To 50,000	0	0	0	0
50001 To 1,00,000	0	0	0	0
1,00,000 and Above	3	100.00	9,16,66,400	100.00
<b>Total</b>	<b>3</b>	<b>100.00</b>	<b>9,16,66,400</b>	<b>100.00</b>

**(xiii) Convertible instruments:**

The Company had issued 9,82,140 Compulsory Convertible Debentures in the year 2016 at INR 280/- (Two Hundred and Eighty Only). Out of the total debentures issued 3,27,380 debentures have been converted on 15<sup>th</sup> March, 2018. 6,54,760 debentures are pending for conversion and as per the decision of the Board. Out of total debentures pending of conversion, 3,27,380 debentures were converted on 28<sup>th</sup> March, 2018. (Impact of such conversion on equity is also to be explained)

**(xiv) Commodity price risk or foreign exchange risk and hedging activities: N/A**

**(xv) Plant locations: N/A**

**(xvi) 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

## **10. RECONCILIATION OF SHARE CAPITAL AUDIT**

As stipulated by the Securities Exchange Board of India, Mr. Samrish Bhanja, Managing Partner at M/s. B. Samrish & Co., a qualified Practicing Company Secretary has carried out the reconciliation of Share Capital Audit to reconcile the total admitted capital with NSDL and CDSL, total issued and listed capital. The audit is carried out every quarter and the report thereon is submitted to the Stock Exchanges. The audit confirms that the total issued/paid up capital is in agreement with the aggregate total number of shares in physical form, shares allotted & advised for demat credit but pending execution and the total number of dematerialized shares held with NSDL and CDSL.

**Annexure-II**

**11. AUDITORS' REPORT ON CORPORATE GOVERNANCE**

As required by Schedule V of SEBI (LODR), 2015, the Auditors' certificate is enclosed at the end of this report.

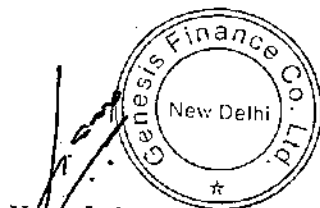
**Annexure-II**

**Declaration by Managing Director**

**Declaration by Managing Director**

I, Naresh Garg, Managing Director of Genesis Finance Company Limited (GFCL), hereby confirm pursuant to Schedule V of SEBI (LODR), 2015:-

- The Board of Directors of GFCL has laid down a Code of Conduct for all Board Members and the Senior Management of the Company.
- All the Board Members and Senior Management Personnel have affirmed their compliance with the said conduct for year ended March 31, 2018.



**Naresh Garg**  
**Managing Director**  
**DIN: 00916814**

**Place: New Delhi**  
**Date: 29/08/2018**





## Annexure-II

### **Chief Executive Officer (CEO) and Chief Financial Officer (CFO) Certification**

I, Gopal Singh Bisht, WTD & CFO, responsible for the finance function certify that:

1. We have reviewed the financial statements and cash flow statement for the year ended 31 March, 2018 and to the best of our knowledge and belief:
  - a. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading
  - b. 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
2. To the best of our knowledge and belief, no transactions entered into by the company during the year ended 31<sup>st</sup> March, 2018 are fraudulent, illegal or violative of the company's code of conduct
3. We accept the responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of the internal control systems of the company pertaining to financial reporting. Deficiencies in design or operation of such internal controls, if any, of which we are aware, have been disclosed to the auditors and the audit committee and steps have been taken to rectify these deficiencies
4. We have indicated to the Company's Auditors and the Audit Committee of the Company's board of directors that during the year:
  - a. There has not been any significant change in internal control over financial reporting during the year under reference
  - b. There has not been any significant change in the accounting policies during the year except as laid down in AS-15, requiring disclosure in the notes to the financial statements and
  - c. We are not aware of any instance during the year of significant fraud with involvement therein of the management or any employee having a significant role in the Company's internal control system over financial reporting.

  
  
Gopal Singh Bisht \*  
(Whole-time Director & CFO)  
DIN: 00597160

Date: 29/08/2018  
Place: New Delhi

**Annexure-III**
**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 arms length transaction under third proviso thereto.

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

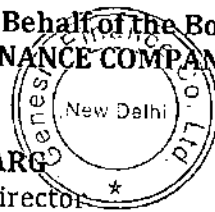
SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	N/A
b)	Nature of contracts/arrangements/transaction	N/A
c)	Duration of the contracts/arrangements/transaction	N/A
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	N/A
e)	Justification 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**

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	NIL
b)	Nature of contracts/arrangements/transaction	NIL
c)	Duration of the contracts/arrangements/transaction	NIL
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	NIL
e)	Date of approval by the Board	NIL
f)	Amount paid as advances, if any	NIL

**For and on Behalf of the Board  
GENESIS FINANCE COMPANY LIMITED**

**NARESH GARG**  
Managing Director  
DIN: - 00916814  
Address: - B-24 GF,  
GEETANJALI ENCALVE,  
NEW DELHI 110017



**SANGEETA GARG**  
Whole-Time Director  
DIN: - 01117956  
Address: - J-130 SAKET,  
NEW DELHI 110017



**Date: - August 29, 2018  
Place: - New Delhi**

## Annexure-IV

### **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

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

The Management of the Company is pleased to present its report on Industry Scenario including Company performance during the financial year 2017-18.

#### **ECONOMIC OVERVIEW**

The Indian economy posted a growth of 6.6% in FY2017-18 compared to 7.1% in FY2016-17, as the first round of effects of demonetisation and the implementation of GST played out. However, a host of other policies, implemented during and before FY 2017-18 - such as the Insolvency and Bankruptcy Code, reforms in the real estate sector in the form of RERA, allowing of FDI in various industries, fast-tracking of project clearances, various measures for financial inclusion, etc. - are expected to propel growth upwards, going forward. While the IMF projects that India's GDP will increase at 7.4% in FY2019 and 7.8% in FY2020, the World Bank expects growth to reach 7.3% in FY2019 and rise further to 7.5% in FY2020.

#### **INDUSTRY OVERVIEW**

NBFCs continued to grow their share in the financial services industry. Data published by the RBI in its Financial Stability Reports dated 30 June 2017 and 21 December 2017 show that the NBFCs have outperformed scheduled commercial banks (SCBs) on growth in advances, asset quality and profitability. This growth momentum of NBFCs should result in their share in the financial services sector increasing in the near future.

- **MSME Sector**

The MSME sector, which currently comprises over 50 million businesses, has grown dynamically. Today, the sector accounts for around 40% of the country's exports and has been creating millions of jobs, annually. With immense potential for growth in the coming years, access to financial capital and timely credit remains one of the primary constraints for the sector. While the government has implemented numerous measures in general and through the Union Budget 2018 to augment the availability of funds to the sector, credit from NBFCs, on flexible and tailored terms, has begun to increase.

- **Housing Finance**

In India, the housing finance industry comprises both banks and Non-Banking Finance Companies (NBFC). These organizations provide loans for a variety of purposes, including the purchase of ready or under-construction housing units, home renovation/extension, self-construction, purchase of plots and composite loans for the purchase of plot and self-construction, etc. The business

### **Annexure-IV**

activity and, therefore, share of housing finance companies (HFCs) in the NBFC sector has been increasing gradually over the years due to their focus on home loans, access to low cost funds from Indian and International nonbank sources and investors, strong origination skills, good consumer service and use of data and technology at various levels from lead generation and loan origination till recovery. The size of the housing loans market has also been increasing, especially in the affordable housing segment, due to the country's demographic profile, growing income levels and on the back of various initiatives by the government to promote housing for all by 2022.

### **THE COMPANY**

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

Unlike traditional models of financing, Genesis Finance successfully creates innovative financial solutions for you and your business to fulfill all your financing needs. The company provides financing for various purposes like business expansion, working capital loans, car loans, home loans and personal loans. With this differentiated approach, Genesis has financed more than 400 customers and disbursed over Rs. 3 billion in loan.

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.

### **OUTLOOK**

The mission to promote financial inclusion in India is gaining momentum in government as well as private circles. Where the government is concerned, it is addressing various regulatory issues that have been constraints to transparency and better access until now. It has also been ensuring easier recourse to institutional credit and reducing the cost of lending to BOP borrowers. Private companies have been surmounting troublesome issues of the past - measurement of creditworthiness and reach - with the help of technological solutions. And last, but not the least, riding on better growth and rising incomes, the demand for funds for various purposes has improved. All these factors point to a bright future for financiers, especially those that cater to the large unserved or under-served segments of the economy, over the long term.

### **LIABILITY MANAGEMENT**

With its robust performance in the past as well as internal systems and processes, the Company has built a track record of reliability and rectitude. This has enabled GFCL to nurture strong bonds with a clutch of leading banks and various financial institutions.

## **Annexure-IV**

### **CAPITAL MANAGEMENT**

While adhering to the guidelines laid down by the RBI from time to time, the Company works towards maximising the returns on capital employed through an efficient capital management strategy.

### **RISK MANAGEMENT**

As in the case of any lending entity, the entire proposition of the Company - providing finance to various segments of the economy is on the fundamentals of managing the risk rather than avoiding it. With tried and tested credit models and robust operational systems in place, the Company successfully manages these risks. Towards de-risking the entire process of receivables management, the Company begins with inculcating the culture of credit buyers among its ranks and file rather than just a marketing strategy to promote various products. These debtors are under the Company's surveillance and regular follow-ups for collection are executed. The company has a very diversified portfolio of borrowers within its segments of operation. The diversified segment and the diversity within the segment accompanied by a very huge market size, serve as a very potent cover against the market risk due to various macro developments. However the company has to constantly be on vigil to understand the changes at the market place from time to time.

### **OPPORTUNITIES & THREATS**

Over the years the consistent and the quality growth of the company can be attributed to the huge market size within the targeted segments of operations. Over the years, GFCL has understood and hence anchors to the belief that every opportunity is as good as its execution. The most significant threat for any lending activity is to constantly exhibit operational excellence and contain the loss given defaults within the acceptable limits. The Company believes that this task is to be worked upon continuously through a very sharp learning and unlearning in order to achieve operational excellence.

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

The primary focus of internal control and systems at GFCL is to improve on operational efficiencies and create quality portfolio. In the business of lending internal risk usually exceeds the external risk for the very reason that, personnel of a company has the potentiality to influence larger number of loans as compared to a single borrower. The internal control at GFCL is a constantly evolving process. There are adequate controls right from tracking the originators activities, quality of logins followed by a stringent credit checks and appraisal, which are evaluated on the basis of the quality of the portfolio. A 360 degree view of the credit assessment comprises of framing credit screens based on a reliable demographic data followed by the strict adherence of the same with an element of adaptability without compromising on the fundamentals of extending credit where it is due. The other significant internal control at GFCL comprises of strict vigil on the operational expenditure with a constant endeavour to bring it down through better efficiencies rather than just focusing on curtailing the expenditure. The execution plan

#### **Annexure-IV**

pertaining to the internal controls and its adequacy is driven by our understanding of constantly challenging ourselves.

#### **HUMAN RESOURCES**

Acknowledging that human resources play a crucial role in enabling it to meet its objectives, the Company chooses its people very carefully, ensuring that they conform to the company's culture and follow its values and belief system. Setting the benchmark high, with its good governance the promoters are hands-on involved in the management of the Company with strategic inputs from a well-diversified and competent board.

#### **FUTURE PROSPECTS**

There is a very huge market to be served, which needs an efficient last mile delivery of credit, thus creating enormous opportunity for all the financial institutions and NBFCs in special.

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.

# EXECUTIVE SUMMARY



YOUR PROSPERITY.

Non Banking Finance Companies (NBFCs) are here to stay. Between 2015 and 2020 its proportion of credit in the market is projected to grow from 13% to 20%. The promise of accelerated growth is predicated on the NBFC sector transforming itself to serve the latent credit needs of emerging India. NBFCs credit penetration in India has been close to 13% which is well behind countries such as Thailand and Malaysia at 25% and China at 33%. We expect that credit growth for NBFCs will further accelerate in the next 5-10 years. Some of the factors which we believe support the growth of this sector in the following years will be

- Huge latent credit need in the economy
- High bad debt levels
- Unique nature of credit demand makes it difficult for traditional bank lending
- Digital trends in consumer and MSME to offer new disruptive opportunities for innovation and partnerships
- Deepening of wholesale debt markets to provide easier access of funds

We at Genesis Finance believe that our success is attributed to 3 FACTORS

- ① Very sharp focus on product lines leading to better cost control
- ② Bad debt control
- ③ Better customer service and consequently faster growth at higher profitability as compared to banks



YOUR PROSPERITY

# Macro indicators suggest significant underdevelopment of NBFC sector in India

Credit penetration in India is low as compared to other economies. On similar benchmarks, the non bank finance penetration in India is even lower.

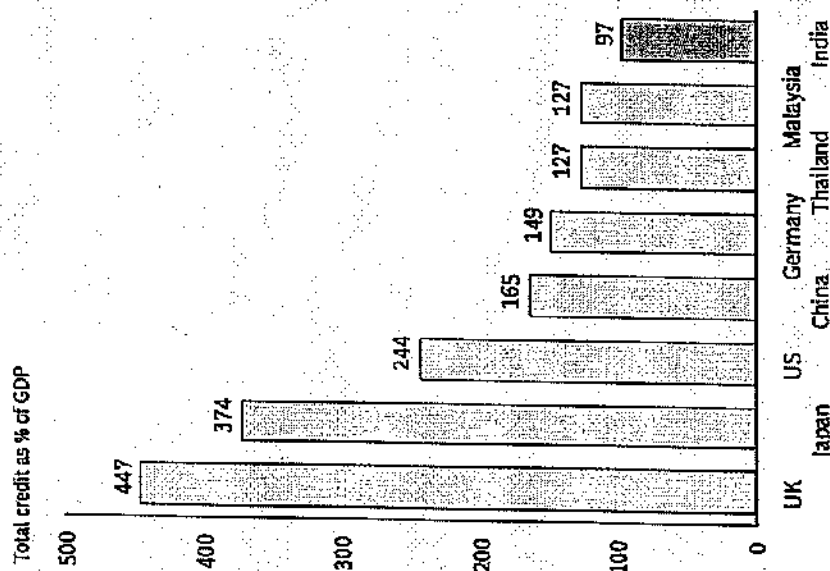
While it is commonly expected that credit will grow rapidly as economic growth gathers pace, it is safe to assume that non bank finance will grow even faster. This is borne out by the growth rates seen over the past several years.

Indian economy has a huge latent credit demand fuelled by a massive self employed population that is underserved by banks due to inadequate income proof.

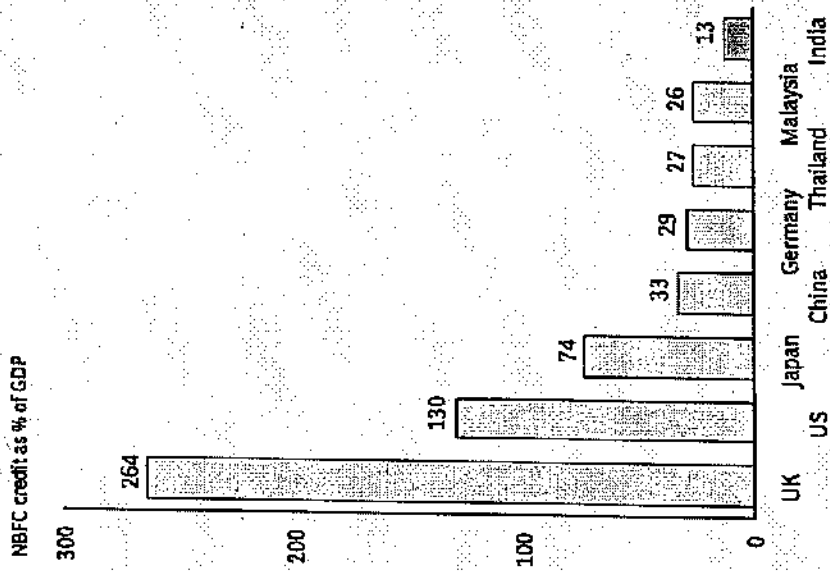
With public sector banks under severe stress due to mounting bad debt, the appetite to lend is expected to be weak in the medium term till a proper resolution can be found. This will increase the gap in the market and provide an opportunity for NBFCs to fill in.

The recent developments in deepening of wholesale debt markets also bode well for liquidity and funding of NBFCs.

**Lower credit penetration in India vs. other economies**



**NBFC size substantially lower vs. other economies**





# The Way Forward for GENESIS...



YOUR FUTURE.

## 1 Strategy

Right customer segment  
Right product mix  
Optimum geographical footprint

2

Customer Experience



More Than Just Loans

3

Operational Excellence



Scale with caution

4

Credit and Collections



Building quality team

5

Sales and Compliance



Creating sustainable value

6

Effective Pricing



Value pricing and zero leakage

7

Partnership model

8

Agile organization and talent model

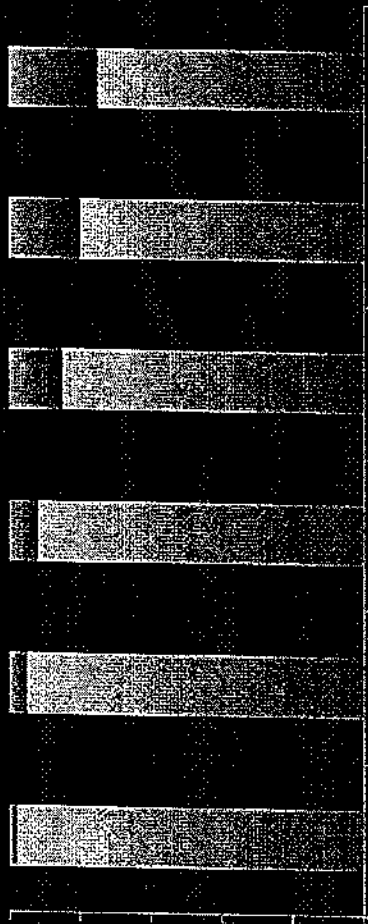
9

Innovation and focus with a digital makeover

# Retail Sector to witness robust growth despite some temporary hiccups



YOUR PROSPERITY.



Growing retail presence at Genesis



We believe that strong urban and rural demand and an increase in credit penetration will continue to drive the growth in the consumer finance segment. However, there may be a period of muted growth from the rural sector.

Driven by higher disposable incomes through increased effectiveness of government schemes and the 7th Pay Commission, we remain confident of healthy growth in the consumer finance segment. On the small and medium enterprises (SME) front, business and professional loans seem to be on a growth trajectory, but mortgage-backed loans (loan against property), which form a large proportion of the SME loans, will remain muted due to the increased competition from new entrants in the market and traditional banks, who have been successful in capturing and retaining the upper end of the ticket-sized band.

Gradual economic recovery and proposed regulatory changes (scrapping of old commercial vehicles [CVs] and Bharat Stage [BS] VI pollution norms) will lead to an uptick in the overall CV segment, which in turn will drive growth in the pre-owned CV sector. However, poor rural income growth and the depleted monsoons have weighed on the rural credit growth and may also lead to deterioration in the overall asset quality. But with the India Meteorological Department (IMD) predicting (earlier this month) normal to above normal monsoon in the current fiscal, we expect this to be a temporary phenomenon.

# Increasing retail presence through the right partners



YOUR PROSPERITY.



[bankbazaar.com](http://bankbazaar.com)

McKinsey  
& Company

BOCG

Growing – The Right Way

We at Genesis are talking to leading DSA's, consulting firms and fintech firms in India to strategize our growing geographic presence. For us growing the right way is more important than achieving scale in the short term. We believe in long term sustainable value and creating a niche for ourselves in the markets that we decide to scale in.

Major consulting firms are helping us strategize the right customer segment and mix in these markets, which help us build a long term unique value for us in this market.

DSA partnerships will help us source customers in the market to build expertise and experiment with market sentiment before we full establish ourselves in these markets



YOUR PROSPECTIVE

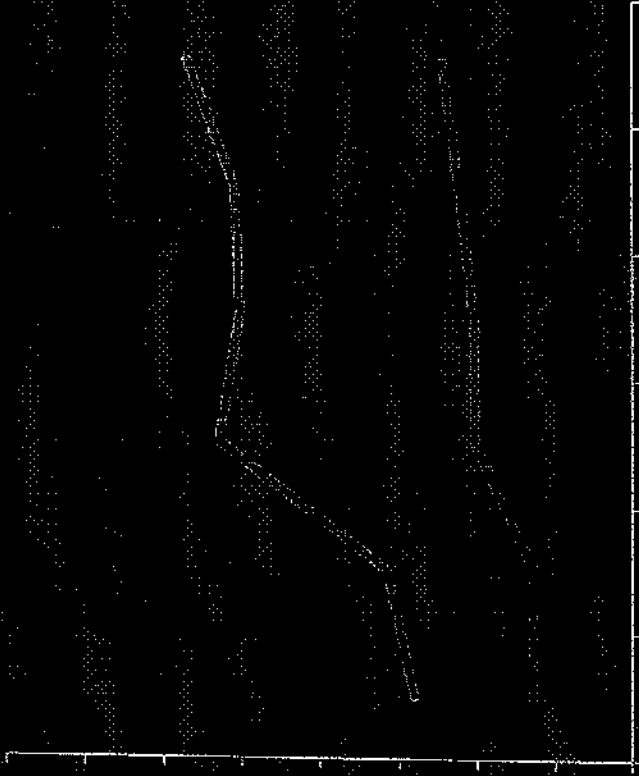
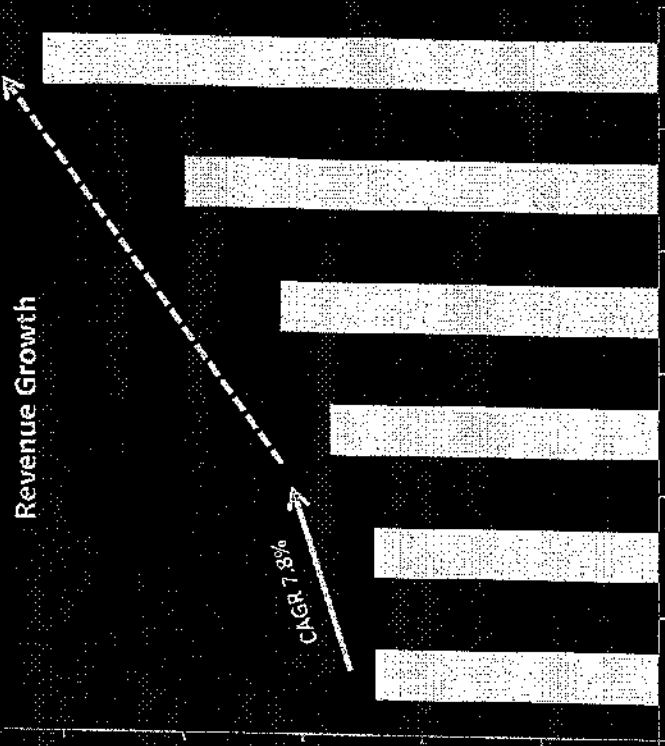
# Robust revenue growth and profitability, with factors contributing to growth in the future

Stress on public sector units

Increased consumption

Latent credit demand

Distribution reach and sectors where traditional banks do not lend





## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF GENESIS FINANCE COMPANY LIMITED

#### Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **GENESIS FINANCE COMPANY LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss, the Cash Flow Statement and a summary of the significant accounting policies and other explanatory information.

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

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

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities ; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

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

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

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







### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at 31st March, 2018, and its profit and its cash flows for the year ended on that date.

### Other Matters

The comparative financial information of the Company for the year ended 31st March, 2017 included in the Standalone Financial Statements have been audited by the predecessor auditors and relied upon by us. The report of the predecessor auditors on comparative financial information for the year ended 31st March, 2017 dated 29th August, 2017 expressed an unqualified opinion. Our opinion is not modified in respect of this matter.

### Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and referred to in the Other Matters paragraphs above we report, to the extent applicable that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
- c) The company has no branch offices during the year.
- d) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- e) In our opinion the aforesaid standalone financial statements comply with the Accounting Standards prescribed under section 133 of the Act.
- f) On the basis of the written representations received from the directors as on 31st March, 2018, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018, from being appointed as a director in terms of Section 164(2) of the Act.
- g) With respect to the adequacy of the internal financial controls over financial reporting of the Company, refer to our separate Report in "Annexure A". Our report expresses a unqualified opinion on the operating effectiveness of the Company's internal financial controls over financial reporting.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Financial statements.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts required to be transferred to the Investor Education and Protection Fund by the





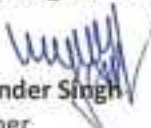
*G Singh & Co.*

CHARTERED ACCOUNTANTS

Office : C - 5 / 14 (LGF), Vasant Kunj,  
New Delhi - 110070 India  
Phone : +91 11 26130327 / 26130363  
E-mail : rathoregsingh@gmail.com  
Web. : www.cagsinghandco.com

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 G Singh & Co.  
Chartered Accountants  
Firm's Registration No. 512589C

  
Gajender Singh  
Partner  
Membership No. 091761  
NEW DELHI, 29<sup>th</sup> May, 2018







## ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(h) under 'Report on Other Legal and Regulatory Requirements' of our report of even date)

**Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of **GENESIS FINANCE COMPANY LIMITED** ("the Company") as of 31st March, 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

### Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit.

We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our qualified audit opinion on the Company's internal financial controls system over financial reporting.

### Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that



(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;





- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use or disposition of the company's assets that could have a material effect on the financial statements.


#### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions or that the degree of compliance with the policies or procedures may deteriorate.

#### **Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, maintained adequate internal financial controls over financial reporting as of 31st March, 2018, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India", the Company's internal financial controls over financial reporting were operating effectively as of 31st March, 2018.

For G Singh & Co.  
Chartered Accountants  
Firm's Registration No. 512589C

  
**Gajender Singh**  
Partner  
Membership No. 091761  
NEW DELHI, 29<sup>th</sup> May, 2018





## ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) In respect of its fixed assets:

(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The Company has a regular program of verification of fixed assets to cover all the items in a phased manner over a period of one year which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, fixed assets were physically verified by the Management during the year. According to the information and explanation given to us, no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and the records examined by us and based on the examination of these records conveyance deed of immovable property being office space have not been executed in the name of the company due to technical reasons.

(ii) The company is a service company, primarily engaged in financing activities, it does not hold any inventories and as such paragraph 3(ii) of the order is not applicable to it.

(iii) According to the information and explanations given to us, the Company has not granted loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

(v) According to the information and explanations given to us, the Company has not accepted any deposit from public during the year.

(vi) The maintenance of cost records has not been specified by the Central Government under Section 148(1) of the Companies Act, 2013 hence no cost records have been maintained by the company.

(vii) According to the information and explanations given to us, in respect of statutory dues:

(a) The Company has generally been regular in depositing undisputed statutory dues, including provident fund, employees' state insurance, income-tax, sales tax, service tax, customs duty, excise duty, value added tax, cess and other material statutory dues applicable to it with the appropriate authorities. However on certain occasion they have defaulted in payment of dues which have been rectified later.

(b) There were no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, sales tax, wealth tax, service tax, customs duty, excise duty, value added tax, cess and other material statutory dues in arrears as at 31st March, 2018 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, 2018 on account of disputes are given below:

Name of Statute	Assessment Year	Amount in ₹	Reason for non deposit
Income tax	2012-13	3,55,030	Rectification pending with AO
Income tax	2013-14	10,42,230	Appeal pending with CIT







- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks, government and dues to debenture holders.
- (ix) The company did not raise money by way of initial public offer/ further public offer.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act, 2013.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv) a) During the year, the Company has converted one third of the 7% Compulsorily Convertible Debentures into equity shares which were issued in the previous year. One third of the 7% Compulsorily Convertible Debentures had already been converted into equity shares in the previous year and the remaining shall be converted in the next year.  
b) During the year, the Company has issued 3,83,05,820 shares by way of bonus issue.
- (xv) In our opinion and according to the information and explanations given to us, during the year, the Company has not entered into any non-cash transactions with its directors or directors of its holding, subsidiary or associate company or persons connected with them and hence provisions of Section 192 of the Companies Act, 2013 are not applicable.
- (xvi) The Company is required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934 and it has obtained the registration required.

For G Singh & Co.  
Chartered Accountants  
Firm's Registration No. 512589C

  
Gajender Singh  
Partner  
Membership No. 091761  
NEW DELHI, 29<sup>th</sup> May, 2018



**GENESIS FINANCE COMPANY LIMITED**  
Balance Sheet as on 31st March, 2018



S No.	Particulars	Note	Amount in Rs	
			As at 31st March, 2018	As at 31st March, 2017
<b>EQUITY AND LIABILITIES</b>				
<b>I Shareholder's Funds</b>				
a) Share Capital	2	43,77,80,800.00		5,14,48,800.00
b) Reserves and Surplus	3	<u>26,26,50,122.76</u>		<u>52,80,62,424.41</u>
			70,04,30,922.76	57,95,11,224.41
<b>II Share application money pending allotment</b>				
<b>III Non-Current Liabilities</b>				
a) Long-Term Borrowings	4	25,13,80,628.38		40,99,84,455.90
b) Long Term Provisions	5	<u>56,28,654.00</u>		<u>40,56,346.00</u>
			25,70,09,282.38	41,40,40,801.90
<b>IV Current Liabilities</b>				
a) Short-Term Borrowings	6	8,46,50,500.90		9,59,66,595.47
b) Other Current Liabilities	7	10,03,79,508.58		9,42,37,473.80
c) Short-Term Provisions	8	<u>3,11,58,052.14</u>		<u>97,56,097.26</u>
<b>Total</b>			<u>19,61,89,071.62</u>	<u>19,99,60,266.53</u>
			<u>1,15,36,29,276.76</u>	<u>1,19,35,12,292.84</u>
<b>ASSETS</b>				
<b>I Non-current assets</b>				
<b>Fixed assets:</b>				
a) Tangible Assets	9	1,67,91,630.03		1,23,58,399.29
b) Intangible Assets		-		-
c) Capital work-in-progress		-		-
d) Preliminary Expenses		-		-
e) Non-current Investments		-		-
f) Deferred tax assets (net)		28,29,054.00		17,60,293.73
g) Long Term Loans and Advances	10	51,41,62,660.00		40,32,52,020.00
h) Other Non-current Assets		-		-
			53,37,83,344.03	41,93,70,713.02
<b>II Current assets</b>				
a) Cash and cash equivalents	11	30,87,607.47		47,325.00
b) Short-Term Loans and Advances	12	61,25,57,015.26		76,69,70,319.82
c) Other Current Assets	13	<u>52,01,310.00</u>		<u>71,23,935.00</u>
<b>Total</b>			<u>61,98,45,932.73</u>	<u>77,41,41,579.82</u>
			<u>1,15,36,29,276.76</u>	<u>1,19,35,12,292.84</u>
Notes on Financial Statements		1 to 20		

For G Singh & Co.  
Chartered Accountants  
(Firm's Registration No. 512589C)  
  
Gajendra Singh  
Partner  
(Membership No. 093761)  
NEW DELHI, 29th May, 2018



for and on behalf of the Board

  
Naresh Garg  
Managing Director  
DIN: 00916814

  
Sangeeta Garg  
Whole Time Director  
DIN: 01117956

  
Gopal Bisht  
Chief Financial Officer  
DIN: 00597160

  
Neeti Alwani  
Company Secretary  
M No A 45231

GENESIS FINANCE COMPANY LIMITED  
Statement of Profit and Loss for the year ending 31st March, 2018

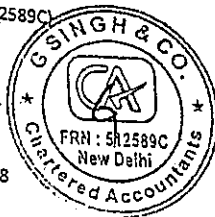


S No.	Particulars	Note	As at 31st March, 2018	Amount in Rs As at 31st March, 2017
	<b>INCOME</b>			
I	Revenue from operations- Interest Received	14	14,24,36,106.27	13,16,31,842.57
II	Other Income		26,62,975.83	66,39,179.24
III	Total Income (I+II)	15	<u>14,50,99,082.10</u>	<u>13,82,71,021.81</u>
	<b>EXPENDITURE</b>			
IV	Employee benefit Expenses	16	1,61,75,053.52	1,33,95,007.00
	Financial costs	17	5,66,74,774.57	5,95,63,941.47
	Depreciation and Amortization	9	71,75,438.00	11,08,693.26
	Other expenses	18	2,03,59,507.93	1,77,18,125.75
	Total Expenses		<u>10,03,84,774.02</u>	<u>9,17,85,767.48</u>
V	Profit before exceptional and extraordinary (III-IV)		4,47,14,308.08	4,64,85,254.33
VI	Exceptional Items			
VII	Profit before extraordinary items and tax (V - VI)		4,47,14,308.08	4,64,85,254.33
VIII	Extraordinary Items			
IX	Profit before tax (VII - VIII)		4,47,14,308.08	4,64,85,254.33
X	Tax Expenses/Provision			
	(i) Current tax		1,37,51,000.00	1,63,00,000.00
	(ii) Deferred tax		(10,68,760.27)	1,67,962.71
	(iii) Provision for earlier years			
	(iv) Provision for Standard Assets		27,78,770.00	15,40,055.00
XI	Profit/(Loss) from the period from continuing operations (IX-X)		2,92,53,298.35	2,84,77,236.62
XII	Profit/(Loss) from discontinuing operations			
XIII	Tax Expense of discounting operations			
XIV	Profit/(Loss) from Discontinuing operations (XII - XIII)			
XV	Profit/(Loss) for the period (XI + XIV)		<u>2,92,53,298.35</u>	<u>2,84,77,236.62</u>
XVI	Earning per equity share of face value of ₹ 10/- each			
	Basic		0.67	5.54
	Diluted		0.76	6.40
	Notes on Financial Statements			

1 to 20

For G Singh & Co.  
Chartered Accountants  
(Firm's Registration No. 512589C)

Gajendra Singh  
Partner  
(Membership No.091761)  
NEW DELHI, 29th May, 2018



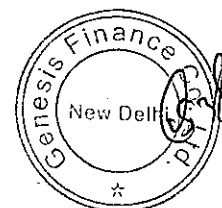
for and on behalf of the Board

Naresh Garg  
Managing  
Director  
DIN: 00916814

Sangeeta Garg  
Whole Time  
Director  
DIN: 01117956

Gopal Bisht  
Chief Financial  
Officer  
DIN: 00597160

Neeti Alwan  
Neeti Alwan  
Company Secretary  
M No A 45231





**GENESIS FINANCE COMPANY LIMITED**

Cash Flow Statement for the year ending March 31, 2018



Particulars	F.Y - 2017-18	Amount in Rs F.Y - 2016-17
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before Tax	4,47,14,308.08	4,64,85,254.33
Adjustments for:		
Depreciation and Amortization	71,75,438.00	11,08,693.26
Retirement Benefits	15,72,308.00	-
Less: Profit on sale of Asset and Investment	-	13,79,687.24
<b>Operating Profit Before Working Capital Changes</b>	<b>87,47,746.00</b>	<b>(2,70,993.98)</b>
<b>Changes in Working Capital :</b>	<b>5,34,62,054.08</b>	<b>4,62,14,260.35</b>
Increase/ (Decrease) in Other Current Liabilities	61,42,034.78	79,14,273.49
(Increase) / Decrease in Long-Term Loans and Advances	(10,89,10,640.00)	2,62,12,843.00
(Increase) / Decrease in Short-Term Loans and Advances	15,44,13,304.56	(34,41,20,289.73)
(Increase) / Decrease in Other Current Assets	19,22,625.00	5,59,52,154.01
<b>Cash Generated from Operations</b>	<b>10,70,29,378.42</b>	<b>(20,78,26,758.88)</b>
Taxes paid (net of refunds)	1,51,25,805.12	76,83,020.45
<b>Net Cash Generated from Operations</b>	<b>9,19,02,573.30</b>	<b>(21,55,09,779.33)</b>
Extraordinary items	-	-
<b>Net Cash Generated from Operating Activities</b>	<b>9,19,02,573.30</b>	<b>(21,55,09,779.33)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Tangible / Intangible Assets(Net)	(1,16,08,668.74)	(97,69,952.00)
Sale of Tangible / Intangible Assets(Net)	-	10,00,000.00
Sale of Non-current Investments	-	9,67,58,541.00
<b>Net Cash from Investing Activities</b>	<b>(1,16,08,668.74)</b>	<b>8,79,88,589.00</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Share allotment	-	32,73,800.00
Proceeds from Debentures allotment	-	18,33,32,520.00
Securities Premium received	-	8,83,52,800.00
Availment (Repayment) of Long-Term Borrowings(Net of repayments)	(6,89,37,427.52)	(13,18,55,270.24)
Availment (Repayment) of Short-Term Borrowings	(1,13,16,394.57)	(1,57,71,917.43)
<b>Net Cash used in Financing Activities</b>	<b>(7,82,53,622.09)</b>	<b>12,73,71,792.33</b>
<b>Net increase in Cash and Cash Equivalents</b>	<b>20,40,282.47</b>	<b>(1,49,458.00)</b>
Cash and Cash Equivalents at the Beginning of the Year	47,325.00	1,96,783.00
Cash and Cash Equivalents at the end of the year	<b>20,87,607.47</b>	<b>47,325.00</b>
Cash and Cash Equivalents comprises of:		
Cash on Hand	-	47,325.00
Cheques on Hand	62,402.00	-
Balances with Banks- Highly liquid Investments	20,25,205.47	-
<b>Total</b>	<b>20,25,205.47</b>	<b>-</b>

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

For G Singh &amp; Co.

Chartered Accountants

(Firm's Registration No. 512589C)

Gajendra Singh

Partner

(Membership No. 091761)

NEW DELHI, 29th May, 2018



 Manish Garg  
 Managing  
 Director  
 DIN: 00916814

for and on behalf of the Board

 Sangeta Garg  
 Whole Time  
 Director  
 DIN: 01117956


 Gopal Bisht  
 Chief Financial  
 Officer  
 DIN: 00597160


 Neeti Alwani  
 Company Secretary  
 M No A 45231

# GENESIS FINANCE COMPANY LIMITED



## Notes to Standalone Financial Statements as at March 31, 2018

### 1. A. Corporate Overview

Genesis Finance Company Limited was registered as Limited Company with Registrar of Companies, Delhi and Haryana on 03.07.1990. The Company received the Certificate of Commencement of Business on 24.07.1990. The Company is registered as non deposit taking NBFC as defined under section 45 IA of the Reserve Bank of India Act, 1934. The Company is engaged in the business of financing for more than twenty years. Its shares are listed on Delhi Stock Exchange.

### B. Significant Accounting Policies

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

#### a. Basis of Accounting

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

#### b. Provisions and Contingent liability

A provision is recognised for a present obligation as a result of past events if it is probable that an outflow of resources will be required to settle the obligation and in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate of the amount required to settle the obligation at the Balance Sheet date. A contingent liability is disclosed, unless the possibility of an outflow of resources is remote.

#### c. Fixed Assets

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

#### d. Depreciation

Depreciation is being provided on written down value method over useful life of the asset as specified in Schedule II of the Companies Act, 2013. Depreciation on additions is charged on pro-rata basis relating to period of use of such assets.

#### e. Revenue Recognition

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

#### f. Investments

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

#### g. Employees Benefit

Provision for gratuity is made on estimated basis.





## GENESIS FINANCE COMPANY LIMITED



### Notes to Standalone Financial Statements as at March 31, 2018

**h. Cash and cash equivalents**

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

**i. Taxation**

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

**j. Earnings Per Share**

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

**k.** During the financial year 2016-17 the company had issued 8,83,925 number of 7% compulsorily convertible debentures of Rs. 280 each amounting to Rs. 27,50,00,000.00 to various persons/entities. The same has to be converted in equal number of equity shares of Rs. 10 each at a premium of Rs. 270 in three instalments. Out of the above issued debentures two third have been converted till the end of the financial year ending 31st March 2018.

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





**GENESIS FINANCE COMPANY LIMITED**

Notes to Standalone Financial Statements as at March 31, 2018



		Amount in Rs	
		As at 31st March, 2018	As at 31st March, 2017
2	<b>(a) Share Capital</b>		
	<b>Authorised Share Capital</b>		
	4,70,00,000 Equity Shares of ₹ 10 each		
	(50,00,000 Equity shares of ₹ 10 each)		
		47,00,00,000.00	6,00,00,000.00
	<b>Issued, Subscribed &amp; Paid up</b>		
	4,37,78,080 Equity Shares of ₹ 10 each fully paid up		
	(51,44,880 Equity shares of ₹ 10 each fully paid up)	43,77,80,800.00	5,14,48,800.00
		<u>43,77,80,800.00</u>	<u>5,14,48,800.00</u>
	<b>(b) The Reconciliation of the number of shares outstanding is set out below:</b>		
	<b>Particulars</b>		
	Equity Shares at the beginning of the year	51,44,880	48,17,500
	Add: Shares issued on conversion of Debentures	3,27,380	3,27,380
	Add: Shares issued by way of bonus shares	3,83,05,820	-
	Less: Shares cancelled on buy back of Equity Shares	-	-
	Equity Shares at the end of the year	<u>4,37,78,080</u>	<u>51,44,880</u>
	<b>Name of Shareholders</b>	<b>No. of Shares (%)</b>	
		<b>As at 31 March 2018</b>	<b>As at 31 March 2017</b>
	Genesis Dream Merchants Private Limited	62,82,304 (14.35%)	5,88,860 (11.45%)
	Bhagwati Devi	45,06,880 (10.29%)	5,58,360 (10.85%)
	Sangeeta Garg	44,80,560 (10.23%)	5,60,070 (10.89%)
	Vikas Garg	42,47,680 (9.70%)	5,30,960 (10.32%)
	Prateek Garg	35,73,048 (8.15%)	4,46,631 (8.68%)
	Naresh Garg	35,48,480 (8.10%)	4,43,560 (8.62%)
	Sahil Garg	28,30,704 (6.46%)	3,53,838 (6.88%)
	Nirmala Devi	27,92,000 (6.37%)	3,49,000 (6.78%)
3	<b>Reserve &amp; Surplus</b>		
	<b>Securities Premium Reserve</b>		
	As per last Balance Sheet	39,70,67,600.00	30,86,75,000.00
	Add: On issue of shares pursuant to conversion of Debentures	8,83,92,600.00	8,83,92,600.00
	Less: Issue of Bonus Shares	38,30,58,200.00	-
		<u>10,24,02,000.00</u>	<u>39,70,67,600.00</u>
	Less: Calls in arrears	-	-
	<b>Total - A</b>	<u>10,24,02,000.00</u>	<u>39,70,67,600.00</u>
	<b>General Reserve U/s 45IC of RBI Act</b>		
	As per last Balance Sheet	2,44,50,000.00	1,86,50,000.00
	Add: Transferred from Profit and Loss Account	59,00,000.00	58,00,000.00
		<u>3,03,50,000.00</u>	<u>2,44,50,000.00</u>
	<b>Profit and Loss Account</b>		
	As per last Balance Sheet	10,65,44,824.41	8,38,67,587.79
	Add: Profit during the year	2,92,53,298.35	2,84,77,236.62
		<u>13,57,98,122.76</u>	<u>11,23,44,824.41</u>
	Less: Appropriations		
	Transferred to General Reserve	59,00,000.00	58,00,000.00
		<u>12,98,98,122.76</u>	<u>10,65,44,824.41</u>
	<b>Total - C</b>	<u>12,98,98,122.76</u>	<u>10,65,44,824.41</u>
	<b>Total (A+B+C)</b>	<u>26,26,50,122.76</u>	<u>52,80,62,424.41</u>

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



	As at 31st March, 2018	Amount in Rs As at 31st March, 2017
<b>4</b>		
<b><u>Loan Term Borrowings</u></b>		
<b>Secured</b>		
(a) From Syndicate Bank - Loan 1	3,85,30,051.26	8,87,74,178.01
(b) From Syndicate Bank - Loan 2 (Secured against assignment of Loan Agreements and personal guarantees of two promoter directors of the company and equitable mortgage of property owned by promoter directors. Repayable in 60 monthly installments.)	5,59,83,767.12	8,60,57,095.89
(c) From Kotak Mahindra ('Against hypothecation of Mercedes Car)	58,57,927.00	
(d) From Daimler Financial Services India Pvt Ltd (('Against hypothecation of Mercedes Car)	-	72,31,800.00
<b>Total Secured Loans</b>	<u>10,03,71,745.38</u>	<u>18,20,63,073.90</u>
<b>Unsecured</b>		
7% Privately Placed Compulsarily Convertible Debentures of Rs 200 each	9,16,66,120.00	18,33,32,520.00
Loans from Companies	2,10,22,190.00	2,81,71,300.00
Loans From Directors and relatives	3,83,20,573.00	1,64,17,562.00
	<u>15,10,08,883.00</u>	<u>22,79,21,382.00</u>
<b>Total Long Term Borrowings</b>	<u>25,13,80,628.38</u>	<u>40,99,84,455.90</u>
<b>5</b>		
<b><u>Long Term Provisions</u></b>		
Provision for Employee Benefit-Gratuity (unfunded)	56,28,654.00	40,56,346.00
	<u>56,28,654.00</u>	<u>40,56,346.00</u>
<b>6</b>		
<b><u>Short Term Borrowings</u></b>		
<b>Loans repayable on demand</b>		
- Secured		
- From Syndicate Bank (Against assignment of Loan Agreements and personal guarantees of two promoter directors of the company and equitable mortgage of property owned by promoter directors)	8,46,50,500.90	9,59,66,695.47
	<u>8,46,50,500.90</u>	<u>9,59,66,695.47</u>
<b>7</b>		
<b><u>Other Current Liabilities</u></b>		
Expenses Payable	28,01,694.00	46,28,160.00
Statutory Dues Payable	18,77,367.00	16,41,998.00
Other Current Liabilities	30,00,000.00	62,73,938.00
Advance received for sale of Fixed Assets	70,09,265.00	
Current maturity of long term loans	8,56,91,182.58	8,16,93,377.80
	<u>10,03,79,508.58</u>	<u>9,42,37,473.80</u>
<b>8</b>		
<b><u>Short Term Provisions</u></b>		
Provision for Contingencies of Standard Assets	44,34,640.00	41,03,000.00
Provision for Substandard & doubtful Assets	24,47,130.00	
Provision for Taxation (Net of Tax paid)	42,77,292.14	56,53,097.26
	<u>1,11,59,062.14</u>	<u>97,56,097.26</u>



Note 9 Schedule of Fixed Assets as per Companies Act 2013 as on 31st March, 2018

Amount in Rs

Particulars	Gross Block as on 01/04/2017	Additions till 31/03/2018	Deletion till 31/03/2018	Gross Block as on 31/03/2018	Depreciation till 31/03/2017	Depreciation for the year till 31/03/2018	Depreciation till 31/03/2018	WDV as on 31/03/2017	WDV as on 31/03/2018
<b>Office Equipments</b>									
Air-Conditioner	1,91,100.00	-	-	1,91,100.00	1,81,545.00	-	1,81,545.00	9,555.00	9,555.00
Cellular phone	25,500.00	-	-	25,500.00	24,225.00	-	24,225.00	1,275.00	1,275.00
Counting Machine	33,750.00	-	-	33,750.00	32,061.00	-	32,061.00	1,689.00	1,689.00
EPBX	29,500.00	-	-	29,500.00	28,025.00	-	28,025.00	1,475.00	1,475.00
Fax Machine	33,358.00	-	-	33,358.00	31,690.10	-	31,690.10	1,667.90	1,667.90
Inverter	15,000.00	-	-	15,000.00	14,250.00	-	14,250.00	750.00	750.00
Office Equipment	1,48,450.00	-	-	1,48,450.00	1,41,027.00	-	1,41,027.00	7,423.00	7,423.00
Printer	-	60,042.74	-	60,042.74	-	3,781.00	3,781.00	-	56,261.74
Photostat	96,000.00	-	-	96,000.00	91,200.00	-	91,200.00	4,800.00	4,800.00
<b>Electrical Installations and Equipment</b>									
Generator	1,58,000.00	-	-	1,58,000.00	1,50,100.00	-	1,50,100.00	7,900.00	7,900.00
<b>Motor Cars other than those used in business of running them on hire</b>									
Car	9,25,915.00	-	-	9,25,915.00	8,57,295.00	21,430.00	8,78,725.00	68,620.00	47,190.00
Car Merc	48,84,976.00	-	-	48,84,976.00	8,242.00	15,23,004.00	15,31,246.00	48,76,734.00	33,53,730.00
Car Merc	48,84,976.00	-	-	48,84,976.00	8,242.00	15,23,004.00	15,31,246.00	48,76,734.00	33,53,730.00
Car Audi	38,49,500.00	-	-	38,49,500.00	25,90,729.00	3,93,270.00	29,83,499.00	17,59,271.00	8,66,001.00
Car Merc	-	1,15,48,626.00	-	1,15,48,626.00	-	33,99,130.00	33,99,130.00	-	81,49,496.00
Car Creta	16,04,819.00	-	-	16,04,819.00	6,50,929.00	2,97,899.00	9,48,828.00	9,53,890.00	6,55,991.00
<b>Motor Cycles, scooter and other mopeds</b>									
Motor Cycle	62,318.00	-	-	62,318.00	18,067.00	11,457.00	29,524.00	44,251.00	32,794.00
<b>Computers - End user devices such as desktop, laptops, etc</b>									
Computer/Software	35,08,390.00	-	-	35,08,390.00	33,27,842.61	-	33,27,842.61	1,80,547.39	1,80,547.39
<b>Furniture &amp; Fixtures</b>									
Furniture & Fixtures	2,25,000.00	-	-	2,25,000.00	2,13,750.00	-	2,13,750.00	11,250.00	11,250.00
<b>Buildings (other than factory buildings) RCC Frame Structure</b>									
Office Premises	1,00,000.00	-	-	1,00,000.00	49,433.00	2,463.00	51,896.00	50,567.00	48,104.00
<b>TOTAL</b>	<b>2,07,76,552.00</b>	<b>1,16,08,668.74</b>	<b>-</b>	<b>3,23,85,220.74</b>	<b>84,18,152.71</b>	<b>71,75,438.00</b>	<b>1,55,93,590.71</b>	<b>1,23,58,399.29</b>	<b>1,67,91,630.03</b>



**GENESIS FINANCE COMPANY LIMITED**

Notes to Standalone Financial Statements as at March 31, 2018



	As at 31st March, 2018	Amount in Rs As at 31st March, 2017
<b>10</b>		
<b><u>Long Term Loans and Advances</u></b>		
Loans and Advances to related parties		
Other Loans and Advances	51,41,62,660.00	40,52,52,020.00
	<u>51,41,62,660.00</u>	<u>40,52,52,020.00</u>
<b><u>Sub-classification of Long Term Loans and Advances</u></b>		
Secured, considered good	45,89,11,137.00	28,82,69,287.00
Unsecured, considered good	3,71,91,685.00	11,69,82,733.00
Substandard Assets	1,73,47,458.00	-
Unsecured Doubtful Assets	7,12,380.00	-
	<u>51,41,62,660.00</u>	<u>40,52,52,020.00</u>
<b>11</b>		
<b><u>Cash and Cash equivalents</u></b>		
Balance with Bank in Current Account	20,25,205.47	-
Cash in hand (as certified by a director)	62,402.00	47,325.00
	<u>20,87,607.47</u>	<u>47,325.00</u>
<b>12</b>		
<b><u>Short Term Loans &amp; Advances</u></b>		
Loans and advances	61,25,57,015.26	76,69,70,319.82
	<u>61,25,57,015.26</u>	<u>76,69,70,319.82</u>
<b><u>Sub-classification of Loans and Advances</u></b>		
Secured, considered good	59,56,31,967.26	50,16,41,393.82
Unsecured, considered good	1,69,25,048.00	26,53,28,926.00
Doubtful	-	-
	<u>61,25,57,015.26</u>	<u>76,69,70,319.82</u>
<b><u>Sub-classification of Loans and Advances</u></b>		
Due from Directors, Officer or parties in which they are interested	-	-
Other	61,25,57,015.26	76,69,70,319.82
	<u>61,25,57,015.26</u>	<u>76,69,70,319.82</u>
<b>13</b>		
<b><u>Other Current Assets</u></b>		
Other Current Assets	52,01,310.00	71,23,935.00
	<u>52,01,310.00</u>	<u>71,23,935.00</u>



	As at 31st March, 2018	Amount in Rs As at 31st March, 2017
<b>14 Revenue From Operations</b>		
Interest Received	14,24,36,106.27	13,16,31,842.57
	<u>14,24,36,106.27</u>	<u>13,16,31,842.57</u>
<b>15 Other Income</b>		
Management/Processing Fees	15,73,225.83	51,99,492.00
Other Income	6,89,750.00	60,000.00
Profit on Sale of Non Current Investments	-	13,01,372.00
Profit on Sale of Assets	-	78,315.24
	<u>26,62,975.83</u>	<u>66,39,179.24</u>
<b>16 Employee Benefit Expense</b>		
Staff Salary(including bonus, gratuity, conveyance,etc)	66,60,368.52	49,94,720.00
Director Remuneration	75,85,800.00	75,55,800.00
Provision for Gratuity	15,72,308.00	-
Staff Welfare Expenses	3,56,577.00	8,44,487.00
	<u>1,61,75,053.52</u>	<u>1,33,95,007.00</u>
<b>17 Financial Costs</b>		
Interest Paid	5,61,98,913.57	5,91,54,414.47
Interest paid on Income tax/ TDS	2,49,480.00	791.00
Bank Charges	2,26,381.00	4,08,736.00
	<u>5,66,74,774.57</u>	<u>5,95,63,941.47</u>
<b>18 Administrative &amp; Other Expenses</b>		
Advertisement	14,400.00	9,468.00
Annual General Meeting Expenses	5,18,875.00	5,18,800.00
Annual Listing Fees	14,000.00	-
Audit Fees	1,00,000.00	1,00,000.00
Books & Periodicals	4,900.00	3,710.00
Business Promotion Expenses	1,32,084.00	1,81,452.00
Club Expenses	12,582.00	32,747.00
Collection Charges	2,64,000.00	2,40,000.00
Commission	61,00,000.00	94,90,000.00
Computer Operation & Maintenance	3,73,121.04	7,20,000.00
Conference Expenses	12,42,729.00	11,72,719.00
Conveyance Expenses	2,22,170.00	2,20,494.00
Courier & Postage	4,362.00	2,600.00
Donation	10,000.00	-
Electricity & Water Expenses	8,98,259.00	7,31,777.00
Rates & taxes(GST)	2,71,741.00	-
Fees & Registraton	8,90,360.00	5,65,530.00
Festival Expenses	5,55,775.00	5,49,400.00
Filing Fees	31,23,150.00	1,17,000.00
Generator Expenses	30,840.00	58,850.00
Insurance Expenses	1,03,596.00	1,21,317.00
Legal & Professional Expenses	17,22,356.00	10,88,000.00
Miscellaneous Expenses	73,003.20	1,39,902.75
Office Repair & Maintenance	23,97,778.69	6,60,515.00
Printing Stationery & Photostat	1,56,574.00	2,78,507.00
Property Tax	4,064.00	4,099.00
Telephone Expenses	1,78,685.00	1,91,230.00
Travelling Expenses	5,97,670.00	1,69,196.00
Vehicle Running & Maintenance	3,42,433.00	3,50,812.00
	<u>2,03,59,507.93</u>	<u>1,77,18,125.75</u>





# GENESIS FINANCE COMPANY LIMITED



## Notes to Standalone Financial Statements as at March 31, 2018

### 19. Other notes

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

Particulars	Amount in ₹	
	FY 2017-18	FY 2016-17
Director remuneration for the year	75,85,800	75,55,800

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

Particulars	Amount in ₹	
	FY 2017-18	FY 2016-17
Auditor remuneration for the year	1,00,000	1,00,000

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

Particulars	Amount in ₹	
	FY 2017-18	FY 2016-17
Foreign exchange earnings for the year	NIL	NIL
Foreign exchange outgo for the year	NIL	NIL

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

Particulars	Amount in ₹	
	FY 2017-18	FY 2016-17
Contingent liabilities for the year	13,98,260	42,44,730

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

- e. There are no claims against the Company not acknowledged as debts during the current financial year.
- f. There are no contracts remaining to be executed on capital account and not provided for during the current financial year.
- g. The company has applied for listing with Metropolitan Stock Exchange and the same is still pending at their end.



**GENESIS FINANCE COMPANY LIMITED**

Notes to Standalone Financial Statements as at March 31, 2018


**h. Related Party transactions during the year**

Party Name	Relationship	Transaction detail	Amount in Rs	
			FY 2017-18	FY 2016-17
Kaizen Realtors Private Limited	Company in which key management personnel is interested	Issue of 7% convertible debentures	-	3,75,00,000
		Conversion of 44,643 debentures into equity shares at Rs. 280 each,	1,25,00,040	1,25,00,040
		Loan repaid by the company	5,00,000	-
		Loan taken by the company	21,92,039	-
		Maximum outstanding during the year	21,92,039	-
		Closing balance for the year	16,92,039	-
		Interest paid on loan taken	79,610	-
		Interest paid on debentures	17,83,801	12,39,248
Genesis Dream Merchants Private Limited	Company in which key management personnel is interested	Issue of 7% convertible debentures	-	16,50,00,000
		Conversion of 1,96,428 debentures into equity shares at Rs. 280 each,	5,49,99,840	5,49,99,840
		Interest paid on debentures	78,48,764	52,46,176
Prateet Garg	Relative of key management personnel	Issue of 7% convertible debentures	-	4,50,00,000
		Conversion of 53,571 debentures into equity shares at Rs. 280 each,	Debitures transferred to Expo Thermocontrols Pvt Ltd	1,49,99,880
		Loan repaid by the company	33,00,000	6,00,000
		Loan taken by the company	33,00,000	6,00,000
		Maximum outstanding during the year	33,00,000	-
		Interest paid on debentures	16,19,776	14,16,029
Sahil Garg	Relative of key management personnel	Issue of 7% convertible debentures	-	2,75,00,000
		Conversion of 32,738 debentures into equity shares at Rs. 280 each,	Debitures transferred to Expo Thermocontrols Pvt Ltd	91,66,640
		Loan repaid by the company	24,00,000	-
		Loan taken by the company	24,00,000	-
		Maximum outstanding during the year	24,00,000	-
		Interest paid on debentures	9,89,868	8,65,356
Naresh Garg	Key management personnel	Director remuneration paid	42,00,000	42,00,000
		Loan repaid by the company	3,06,43,773	6,54,82,557
		Loan taken by the company	5,30,64,346	64,17,562
		Maximum outstanding during the year	3,12,44,213	6,54,82,557
		Closing balance for the year	2,24,20,573	64,17,562
		Closing balance for the previous year	64,17,562	6,54,82,557
		Interest paid on loan taken	12,08,868	28,97,699
Sangeeta Garg	Key management personnel	Director remuneration paid	30,00,000	30,00,000
		Loan repaid by the company	1,54,60,000	3,51,52,809
		Loan taken by the company	1,54,60,000	1,00,00,000
		Maximum outstanding during the year	1,54,60,000	3,51,52,809
		Closing balance for the year	1,59,00,000	1,00,00,000
		Closing balance for the previous year	1,00,00,000	3,51,52,809
		Interest paid on loan taken	7,22,900	12,12,273





**GENESIS FINANCE COMPANY LIMITED**

Notes to Standalone Financial Statements as at March 31, 2018



Note 20. As required in terms of Paragraph 98B of Non-Banking Financial Companies Prudential Norms (Reserve Banks) Directions, 1998

**LIABILITIES SIDE**

Serial No.	Particulars	Amount in ₹ Lacs	
		Amount Outstanding	Amount Overdue
1	Loans and Advances availed by NBFC inclusive of Interest Accrued thereon but not paid		
	(a) Debentures		
	- Secured		
	- Unsecured	Nil	Nil
	(Other than falling within the meaning of public deposits*)	916.66	Nil
	(b) Deferred Credits		
	(c) Term Loans	Nil	Nil
	(d) Inter-corporate Loans and borrowings	1,860.63	Nil
	(e) Commercial Paper	593.42	Nil
	(f) Public Deposits	Nil	Nil
	(g) Cash Credit/ Working Capital Limit from Bank	Nil	Nil
		846.51	Nil
2	Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not		
	(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	Nil	Nil
	(c) Other public deposits	Nil	Nil
		Nil	Nil
<b>ASSETS SIDE</b>			
3	Break-up of Loans and Advances including Bills receivables (other than those included in (4) below):		
	(a) Secured		
	Long Term		
	Short Term		4,762.59
	Sub Total		5,956.32
	(b) Unsecured		10,718.91
	Long Term		
	Short Term		379.04
	Sub Total		169.25
	Total		548.29
			<b>11,267.20</b>
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		
	(ii) Stock on hire including hire charges under sundry debtors		Nil
	(iii) Hypothecation loans counting towards EL/HP activities		Nil
			Nil





**GENESIS FINANCE COMPANY LIMITED**

Notes to Standalone Financial Statements as at March 31, 2018



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
<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) Investment 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
1	Related Parties**		Total
	(a) Subsidiaries	Nil	Nil
	(b) Companies in the same group	Nil	Nil
	(c) Other related parties	Nil	Nil
2	Other than related parties	10,718.91	548.29
	Total	10,718.91	11,267.20



**GENESIS FINANCE COMPANY LIMITED**

Notes to Standalone Financial Statements as at March 31, 2018



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
	<b>Total</b>	<b>Nil</b>
** As per Accounting Standard 18 of ICAI		
8 Other Information		Amount
(i) Gross Non-Performing Assets		
(a) Related Parties		Nil
(b) Other than Related Parties		180.60
(ii) Net Non-Performing Assets		
(a) Related Parties		Nil
(b) Other than Related Parties		156.13
(iii) Assets acquired in satisfaction of debts		Nil

As per our Report of even date,

For G Singh & Co.

Chartered Accountants

(Firm's Registration No. 512589C)

Gajendra Singh

Partner

(Membership No.091761)

NEW DELHI, 29th May, 2018



for and on behalf of the Board

Narash Garg

Managing

Director

DIN: 00916814

Sangeeta Garg

Whole Time

Director

DIN: 01117956

Gopal Bisht

Chief Financial

Officer

DIN: 00597160

Neeti Alwan

Neeti Alwan

Company Secretary

M No A 45231