

# **26TH ANNUAL REPORT 2018-19**

## **F MEC INTERNATIONAL FINANCIAL SERVICES LIMITED**

**CIN: L65100DL1993PLC053936**

**Regd Office:**

**13-B, II Floor, Netaji Subhash Marg, Central Bank Building,  
Daryaganj, Delhi-110002**

**Email: [fmecinternational@gmail.com](mailto:fmecinternational@gmail.com)**

**Website: [www.fmecinternational.com](http://www.fmecinternational.com)**

**Tel: 011-43680407**

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## CHAIRMAN'S DIRECTIVE

Dear Shareholders

It gives me immense pleasure to inform you that the Company has successfully completed twenty five years in one of the world's most attractive economies, India. The economy grew by 6.8% during FY 2018-19, despite global headwinds. The Government's consistent focus on infrastructure creation, enhanced budgetary and non-budgetary support to revamp the rural economy, accommodative monetary policy by the Reserve Bank of India (RBI), gradual upswing in investment in the private sector are catalysing this growth.

FY 2018-19 was a mixed year for the overall financial services sector in India. Amid escalating sector-specific challenges, better governed NBFCs continued to fortify their market position. It was, no doubt, a wake-up call for many sector players. However, we believe, better governed NBFCs have a promising future ahead, owing to three specific reasons: focus on providing customized financial solutions to the under-banked sections of the population, lower cost of last-mile delivery and specialized underwriting and collection skills, driven by region-specific insight.

At F mec International Financial Services Limited, we focus on delivering sustainable value to our customers and the wider fraternity of stakeholders, despite challenges such as industry volatilities or economic hardships. Our first priority is building long-term sustainable relationships with our customers by providing highest quality customer service in a prompt and efficient manner.

Despite operating in a challenging macro environment and with new Management in the Company comprising of young blood, FY 2018-19 was a satisfying year for the Company. The Total Revenue of the Company has taken a considerable hike by INR 73.70 Lakhs as compared to previous year. In commensuration of the said increase, the Company has been successful in disbursing loans by reaching to wider number of persons resulting an increase in Loan Books of the Company by INR 1307.76 Lakhs. Hence, we can safely state that the Company has been able to play an instrumental role in catering to the financial needs of it's customers in specific and of the economy in general.

In the upcoming Financial Year 2019-2020, we tend to focus on "Reinforcing growth to technology" by digitizing our internal processes and service offerings. We envision to create digital platform for providing value added services to our customers and at the same time ensuring more transparency in loan disbursement processes.

On behalf of the Board of Directors and the entire leadership team, I thank all my colleagues at F mec International for their hard work and commitment. I am also grateful to all our stakeholders for their continued guidance and support.

**Mr. Apoorve Bansal**  
**Managing Director**

## COMPANY AT A GLANCE

**F mec International Financial Services Limited** is one of the emerging Non-Deposit taking Non-Banking Finance Company (NBFC) registered with Reserve Bank of India, New Delhi, bearing Registration No. **B-14.01129**. In addition of this, the Company is a listed entity and trading its equity shares at Bombay Stock Exchange (BSE Limited). The BSE Scrip Code of the Company is **539552** and the **ISIN** of Securities of the Company is **INE108T01013**.

The Company is carrying on the Business of assisting the financial accommodation by way of loans/advances to industrial concerns and undertaking the business of leasing and to finance lease operations of all kinds, purchasing, selling, hiring or letting on hire or all kinds of plant and machinery.

Over the years, we have followed few Core Values which have helped us to navigate through all the thick and thin over the journey of more than two decades.



## CORPORATE INFORMATION

### BOARD OF DIRECTORS

**MR. APOORVE BANSAL**

(Managing Director)

**MR. AWANISH SRIVASTAVA**

(Non-Executive, Independent Director)

**MRS. RICHA CHOUDHARY**

(Non-Executive, Independent Director)

**MR. ROHIT AGRAWAL**

(Non-Executive, Independent Director)

### CHIEF FINANCIAL OFFICER

**MR. MANOJ KUMAR**

### COMPANY SECRETARY CUM COMPLIANCE OFFICER

**MS. RADHIKA KATHURIA**

### EQUITY SHARE INFORMATION

**BOMBAY STOCK EXCHANGE LIMITED (BSE)**

**SCRIP CODE : 539552**

### REGISTERED OFFICE

**IInd FLOOR, CENTRAL BANK BUILDING  
13B, NETAJI SUBHASH MARG, DARYAGANJ  
NEW DELHI 110002**

### REGISTRAR AND TRANSFER AGENT

**SKYLINE FINANCIAL SERVICES PRIVATE LIMITED**

**D 153/A, 1<sup>st</sup> FLOOR, OKHLA INDUSTRIAL AREA**

**PHASE I, NEW DELHI 110020**

### STATUTORY AUDITORS

**SANJAY SINGHAL & CO**

**(Chartered Accountants)**

**OFFICE : B 415, G.F.**

**NIRMAN VIHAR**

**DELHI 110092**

### SECRETARIAL AUDITORS

**A.K. VERMA & CO**

**(Practicing Company Secretaries)**

**13B, NETAJI SUBHASH MARG, IIND FLOOR**

**ABOVE CENTRAL BANK**

**DARYAGANJ, NEW DELHI 110002**

### BANKERS

**ICICI Bank, Noida Branch**

**Yes Bank, Daryaganj Branch**

**Union Bank of India, Connaught Place Branch**

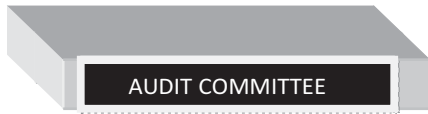
### CONTACT DETAILS

**Website [www.fmecinternational.com](http://www.fmecinternational.com)**

**Email: [fmecinternational@gmail.com](mailto:fmecinternational@gmail.com)**

**Tel: 011-43680407**

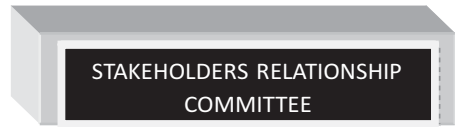
## COMMITTEES OF THE BOARD



**Mr. Awanish Sriavstava – Chairperson**  
(Non- Executive Independent Director)

**Mr. Apoorve Bansal – Member**  
(Executive Director)

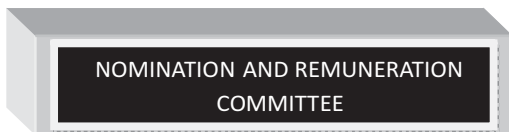
**Mr. Rohit Agrawal- Member**  
(Non- Executive Independent Director)



**Mr. Awanish Sriavstava – Chairperson**  
(Non- Executive Independent Director)

**Mr. Apoorve Bansal – Member**  
(Executive Director)

**Mr. Rohit Agrawal- Member**  
(Non- Executive Independent Director)



**Mr. Rohit Agrawal- Chairperson**  
(Non- Executive Independent Director)

**Mr. Awanish Sriavstava – Member**  
(Non- Executive Independent Director)

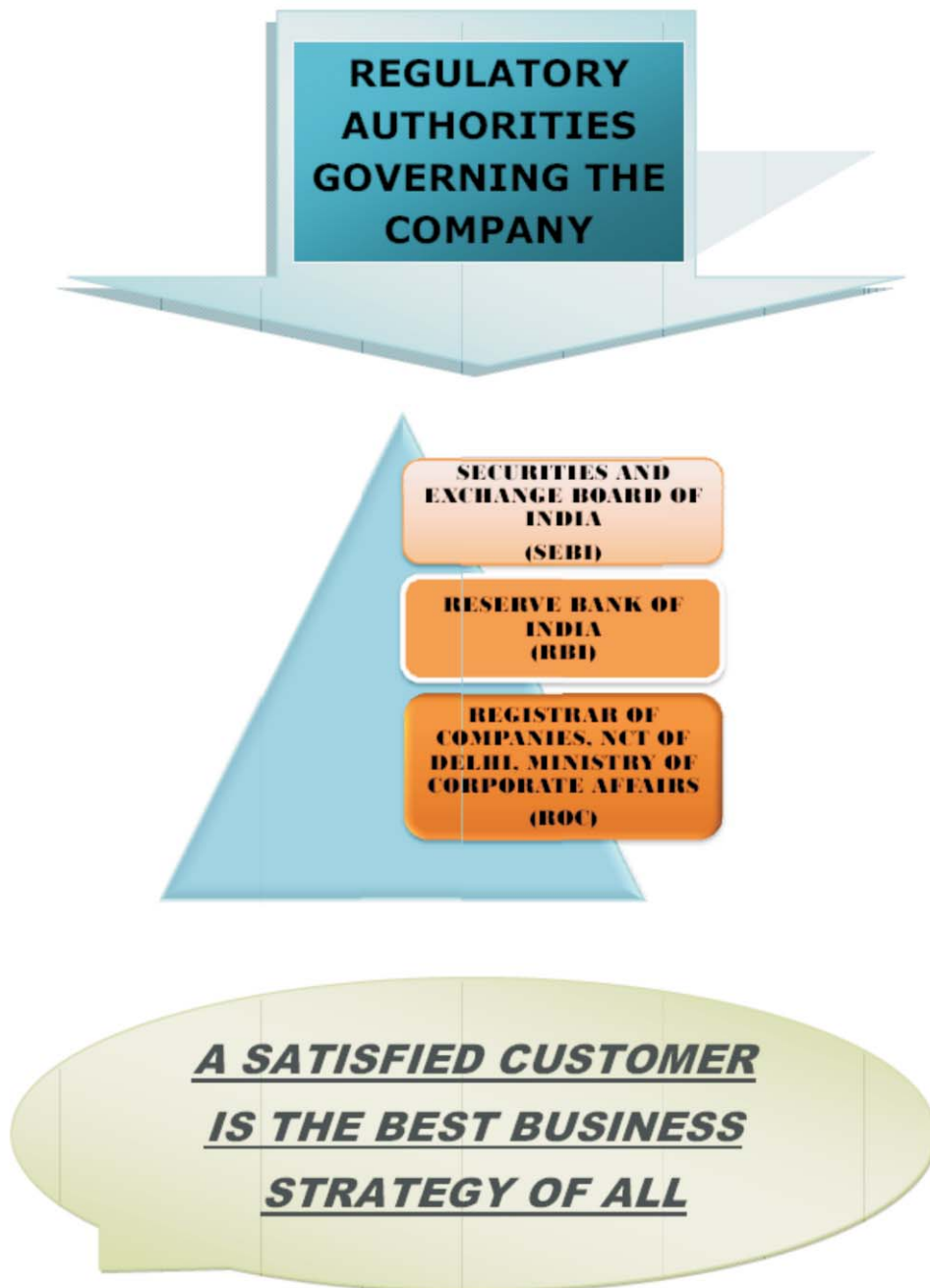
**Mrs. Richa Choudhary- Member**  
(Non- Executive Independent Director)



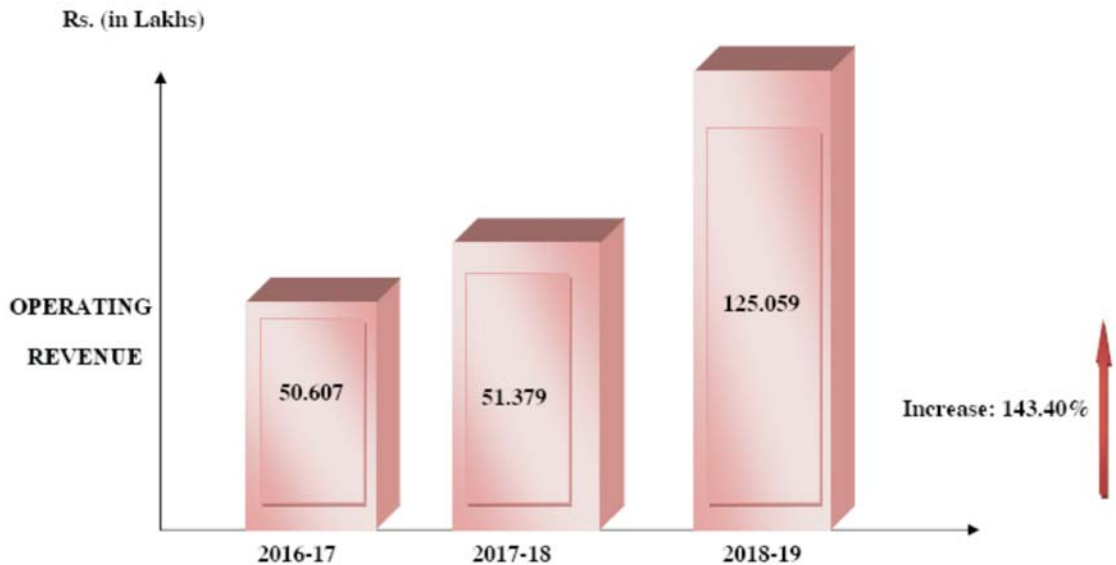
**Mr. Apoorve Bansal- Chairperson**  
(Executive Director)

**Mr. Awanish Sriavstava – Member**  
(Non- Executive Independent Director)

**Mr. Rohit Agrawal- Member**  
(Non- Executive Independent Director)

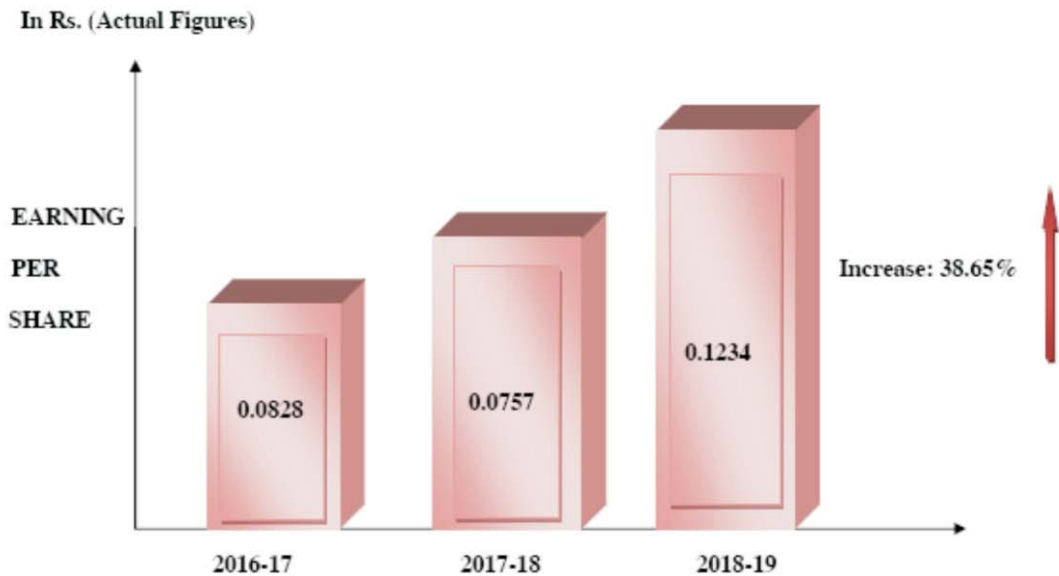
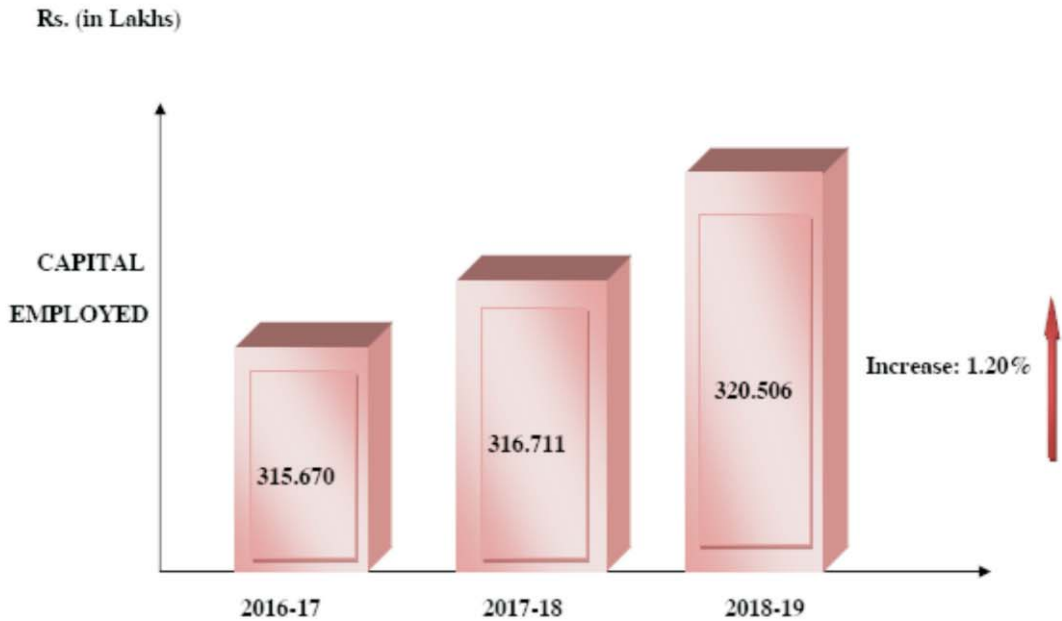


## FINANCIAL INDICATORS





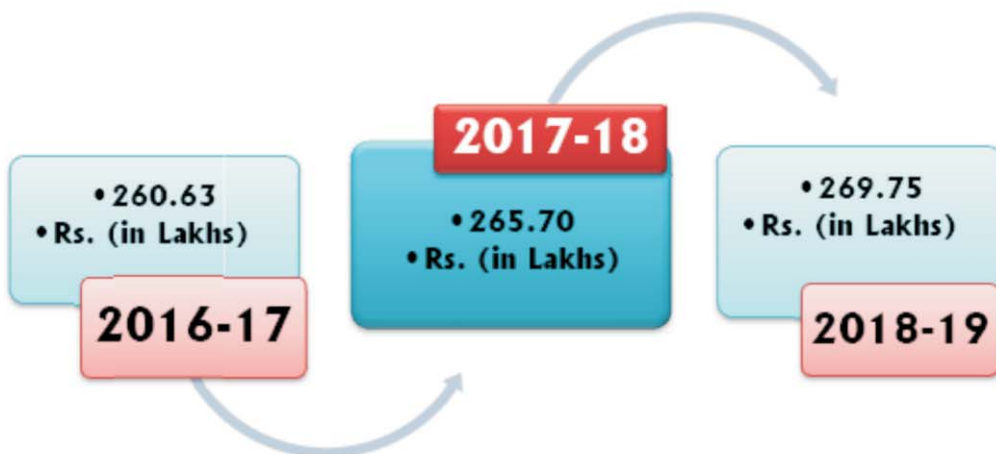
### FINANCIAL INDICATORS



### FINANCIAL INDICATORS



TREND OF NET OWNED FUND FOR THE PURPOSE OF RESERVE BANK OF INDIA



## INVITATION

Date: 12/08/2019

Dear Members/Directors/Auditor

You are cordially invited to attend the 26th Annual General Meeting (the 'AGM') of the members of F MEC INTERNATIONAL FINANCIAL SERVICES LIMITED to be held on Saturday, 21st September, 2019 at 12:30 P.M. at the Registered Office of the Company situated at IInd Floor, Central Bank Building 13-B, Netaji Subhash Marg, Daryaganj, Delhi-110002.

The Notice of the Meeting, containing the business to be transacted thereat, is enclosed.

Thanking You

For and on behalf of the Board

F MEC INTERNATIONAL FINANCIAL SERVICES LIMITED

Apoorve Bansal

Managing Director

Din: 08052540

R/o: A-708, Unesco Apartment, 55

I.P. Extension, Patparganj

Delhi 110092

Enclosures:

1. Notice of the AGM
2. Attendance slip
3. Proxy form (MGT-11)
4. Route Map (at the back cover)

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## NOTICE

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**NOTICE** is hereby given that the **26th** Annual General Meeting of the members of **F MEC INTERNATIONAL FINANCIAL SERVICES LIMITED** will be held on Saturday, 21st day of September, 2019 at the Registered Office of the Company situated at II<sup>nd</sup> Floor, Central Bank Building, 13-B, Netaji Subhash Marg, Daryaganj, Delhi- 110002 at 12:30 P.M. to consider and transact the following business:

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### ORDINARY BUSINESS:

- 1. To receive, consider and adopt the Audited (Standalone and Consolidated) Financial Statements as at 31st March, 2019 and Report of the Board of Directors' and Auditors' thereon :**

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

**"RESOLVED THAT** the Audited Balance Sheet & Statement of Profit and Loss Account and Cash Flow Statement (both Standalone and Consolidated) for the Financial Year ended March 31, 2019 along with the Auditor's Report and the Directors' Report as circulated to the shareholders and laid before the meeting, be received, considered and adopted."

- 2. To appoint a Director in place of Mr. Apoorve Bansal (DIN: 08052540) who retires by rotation and, being eligible, offers himself for re-appointment:**

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

**"RESOLVED THAT** pursuant to the provisions of Section 152 of the Companies Act, 2013 read with applicable Companies (Qualification and Appointment of Directors) Rules, 2014, Mr. Apoorve Bansal (**DIN: 08052540**), who retires by rotation, and being eligible, offers himself for re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation."

### SPECIAL BUSINESS:

- 3. To approve Change in Name of the Company and subsequent alteration in the Memorandum of Association (MOA) and Articles of Association of the Company (AOA) of the Company**

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

**"RESOLVED THAT** pursuant to the provisions of Section 4(4), Section 13 of the Companies Act, 2013 read with Rule 29 of Companies (Incorporation) Rules, 2014, and any other applicable provisions of Companies Act, 2013 read with the rules framed thereunder (including any statutory modifications or re-enactment thereof, for the time being in force) and subject to the approval of Registrar of Companies (ROC), NCT of Delhi and also subject to the approval of Reserve Bank of India (RBI) in the form of "No Objection Certificate" (NOC), the consent of the members of the Company be and is hereby accorded, to change the name of Company to any of the following names, in the order of preference, as may be approved by the Central Registration Centre (CRC), Ministry of Corporate Affairs or any other appropriate authority :

- FASTA LOAN LIMITED
- FASTA FINTECH LIMITED

**AND accordingly Clause I (Name Clause) of the Memorandum of Association be and is hereby altered by changing the name of the Company from "F MEC INTERNATIONAL FINANCIAL SERVICES LIMITED" to "SUCH NAME THAT WILL BE DULY APPROVED BY THE CRC, MINISTRY OF CORPORATE AFFAIRS AND BY RESERVE BANK OF INDIA (RBI)"**

**AND Regulation (a) of Articles of Association of the Company be substituted by the following : "The Company" or "this Company" means "SUCH NAME THAT WILL BE DULY APPROVED BY THE CRC, MINISTRY OF CORPORATE AFFAIRS AND BY RESERVE BANK OF INDIA (RBI)"**

**RESOLVED FURTHER THAT Mr. Apoorve Bansal (DIN: 08052540), Managing Director** of the Company and **Mr. Ashok Verma (COP: 2568), Senior Partner, A.K. Verma & Co., Practising Company Secretaries** be and are hereby severally authorised, to act, represent, and appear before any Statutory Authority for and on behalf of the Company and to do all such acts, deeds, or things as may be deemed necessary including filing and submission of necessary e-forms, documents, declaration, undertaking, fees etc. for the purpose of giving effect to the said resolution”.

**4. To approve alteration of Main Objects in the Memorandum of Association of the Company (MOA) of the Company**

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

**“RESOLVED THAT** pursuant to the provisions of Section 13 of the Companies Act, 2013 read with the applicable rules of Companies (Incorporation) Rules, 2014, and any other applicable provisions of Companies Act, 2013 read with the rules framed there under (including any statutory modifications or re-enactment thereof, for the time being in force) and subject to the approval of Registrar of Companies and approval of Reserve Bank of India, consent of the members of the Company be and is hereby accorded to amend the Memorandum of Association (MOA) of the Company **by substituting the existing sub-clause (A) of Clause III of the Memorandum of Association of the Company with the following sub-clause (A) :**

1. To finance in the form of advance, deposit or lend money either as secured or unsecured loans through the use of web-based technology or through other modes, and to finance securities and properties to or with any company, body corporate, trust, firm, person or association whether falling under the same management or otherwise, with or without security and on such terms as may be determined from time to time, and to carry on and undertake the business of finance and investment and to provide venture capital, seed capital, loan capital and to participate in equity/ preference share capital or to give guarantees on behalf of the Company in the matter and to promote Companies engaged in industrial and trading business and to act as Financial Consultants, Management Consultants, Brokers, Dealers, Agents and to carry on the business of share broking, money broking, exchange broking, bill broking and general brokers for shares, debentures, debenture-stock, bonds, units, obligations, securities, commodities, bullion currencies and to manage the funds of any person, firm, body corporate or trust by investment in various avenues.
2. To carry on the business of facilitating information flow of financial services including on line financial services for consumer products such as mortgage loan, auto loan and other loans.
3. To carry on the business or businesses of a holding and investment company, and to buy, underwrite and to invest in and acquire and hold shares, stocks, debentures, debenture stock, bonds, obligation or securities of companies or partnership firms or body corporate or any other entities whether in India or elsewhere either singly or jointly with any other person(s), body corporate or partnership firm or any other entity carrying out or proposing to carry out any activity whether in India or elsewhere in any manner.
4. To Purchase or otherwise acquire, and to sell, exchange, surrender, lease, mortgage, charge, convert, turn to account, dispose of, and deal with property and rights of all kinds, and in particular, mortgages, debentures, produce, concessions, options, contracts, patents, licenses, stocks, shares, bonds, policies, book debts, business concerns, and undertakings and claims, privileges, and chooses in action of all kinds.
5. To carry on activities of leasing and /or hire-purchase.

**RESOLVED FURTHER THAT Mr. Apoorve Bansal (DIN: 08052540), Managing Director** of the Company and **Mr. Ashok Verma (COP: 2568), Senior Partner, A.K. Verma & Co., Practising Company Secretaries** be and are hereby severally authorized to sign and file all the requisite e-forms including MGT-14 along with such other documents as may be required, with the Registrar of Companies (ROC), NCT of Delhi and to do all such acts, deeds and things as may be ancillary or incidental thereto for giving effect to the said resolution.”

**5. To re-appoint M/s A. K. Verma & Co., Company Secretaries (Registration No., Unique Code- S1997DE019500) as Secretarial Auditor for the Financial Year 2019-2020**

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

**“RESOLVED THAT** pursuant to the provisions of Section 204 of the Companies Act, 2013, Companies (Appointment and

Remuneration of Managerial Personnel] Rules, 2014, and other applicable provisions of the Act and pursuant to relevant provisions of Articles of Association of the Company, consent of the members be and is hereby accorded to re-appoint "M/s A.K. Verma & Co.", **Company Secretaries (Registration No. , Unique Code- S1997DE019500)**, New Delhi as Secretarial Auditor for Financial Year 2019-2020 at the remuneration as decided by the Board of Directors of the Company".

By the order of the Board

**F Mec International Financial Services Limited**

Sd/-

**Apoorve Bansal**

**Managing Director**

**DIN: 08052540**

**Add: A-708 Unesco Apartment, 55, I.P. Extension,  
Patparganj, Delhi - 110092**

**Place: New Delhi**

**Date: 12.08.2019**

**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 of the Company.**
2. Proxy form in MGT-11/ Instrument appointing the proxy duly filled up and executed must be received at the Registered Office of the Company not less than 48 hours before the time fixed for the meeting. Proxies submitted on behalf of limited companies, societies, etc., must be supported by an appropriate resolution/authority, as applicable.
3. A person can act as a Proxy on behalf of not more than fifty members holding in aggregate, not more than ten percent of the total share Capital of Company carrying voting rights. A member holding more than 10% of the total share capital of the Company and carrying voting rights may appoint a single person as Proxy, who shall not act as a Proxy for any other Member.
4. The Statement as required under Section 102 of the Companies Act, 2013 in respect of all items of Special Business as set out in the notice is annexed hereto.
5. Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with relevant Rules made there under, Companies can serve Annual Reports and other communications through electronic mode to those Members who have registered their email address either with the Company or Depository Participant(s). Members of the Company who have registered their email address are also entitled to receive such communication in physical form, upon request.
6. The Notice of AGM, Annual Report and Attendance Slip are being sent in electronic mode to Members whose email address are registered with the Company or the Depository Participant(s), unless the Members have registered their request for the hard copy of the same. Physical copy of the Notice of AGM, Annual Report and Attendance Slip are being sent to those Members who have not registered their email address with the Company or Depository Participant(s). Members who have received the Notice of AGM, Annual Report and Attendance Slip in electronic mode are requested to print the Attendance Slip at the Registration Counter at the AGM.
7. The requirement to place the matter relating to appointment of Auditors for ratification by members at every Annual General meeting is done away with vide Notification dated 7th May, 2018 issued by the Ministry of Corporate Affairs (MCA), New Delhi. Accordingly, no resolution is proposed for ratification of appointment of Auditors, who were appointed in the Annual General Meeting held on **27th September, 2015**.
8. As per the provisions of Section 110 of Companies Act, 2013 read with Rule 22 of Companies (Management and Administration) Rules, 2014, any alteration in the Objects Clause of the Memorandum of Association (MOA) of a Listed Company is required to be conducted through Postal Ballot. However, the Company is granted exemption by virtue of Proviso to Clause (b) of Sub-Section 1 of Section 110 of the Act from transacting such business through Postal Ballot as it is providing the facility to members to vote by electronic means under section 108 and accordingly, Item No. 4 to this Notice is proposed to be transacted by voting through

electronic means and voting at the Annual General Meeting and not by Postal Ballot. ***(Amendment enforced vide Companies (Amendment) Act, 2017 effective from 9th February, 2018.)***

9. Mr. Apoorve Bansal was appointed as Non- Independent Additional Director of the Company on 15th January, 2018 and later his appointment was regularized in the Annual General Meeting held on 22nd September, 2018 in which he was further appointed as Managing Director of the Company. Accordingly, he is liable to retire by rotation in this Annual General Meeting in terms of provisions of Section 152(6) of the Companies Act, 2013 read with the applicable Companies (Appointment and Qualification of Directors) Rules, 2014 and being eligible offers himself for re-appointment, and the said resolution will be duly placed before the members, for their approval in this Annual General Meeting.
- 10. Securities and Exchange Board of India (“SEBI”) has mandated that securities of Listed Companies can be transferred only in dematerialized form w.e.f. April 1, 2019. Accordingly, the Company/ Skyline Financial Services Private Limited (RTA) has stopped accepting any fresh lodgment of transfer of shares in physical form. Members holding shares in physical form are advised to avail of the facility of dematerialization.**
11. The Register of Members and Share Transfer Books shall remain closed from **15th September, 2019 to 21st September, 2019 (both days inclusive)**.
12. Members desiring any further information on the business to be transacted at the meeting should write to the Company at least 15 days before the date of the meeting so as to enable the management to keep the information, as far as possible, ready at the meeting.
13. Members are requested to notify the Company about the change of address, if any, to the Registered Office of the Company.
14. Members are requested to bring their Attendance Slip and copy of the Annual Report with them at the Annual General Meeting.
15. All correspondence relating to shares may be addressed to the Registered Office of the Company.
16. The business set out in the Notice can be transacted through electronic voting system and the Company is providing facility for voting by electronic means. Instructions and other information relating to e-voting are given in this Notice under Note No 19.
17. Members desiring any information/clarification on the Accounts are requested to write to the Company in advance at least seven (7) days before the meeting so as to keep the information ready at the time of Annual General Meeting.
18. As per provisions of the Companies Act, 2013 facility for making nominations is available to the shareholders in respect of the shares held by them. Nomination forms can be obtained from the Registered Office of the Company.

#### **19. Voting Through Electronic Means**

- a) Pursuant to the provisions of Section 108 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Management and Administration) Rules, 2014, as amended and regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide to its members facility to exercise their right to vote on resolutions proposed to be passed in the Meeting as stated in the Notice 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’).
- b) The facility for voting through Ballot 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 Paper.
- c) The members who have cast their vote by remote e-voting may also attend the Meeting but shall not be entitled to cast their vote again.
- d) The Company is providing facility for voting by electronic means to its members to enable them to cast their votes through such voting. The Company has engaged the services of Central Depository Service Limited (“CDSL”) as the Authorized Agency to provide remote e-voting facility (i.e. the facility of casting votes by a member by using an electronic voting system from a place other than the venue of a general meeting).
- e) The Board of Directors of the Company has appointed **Mr. Ashok Kumar Verma, Partner of A.K. Verma & Co, Company Secretaries,**

**New Delhi** as Scrutinizer to scrutinize the voting through Ballot Paper and remote e-voting process in a fair and transparent manner and he has communicated his willingness to be appointed and will be available for same purpose.

f) Remote e-voting facility will be available during the following period:

|  |                                       |
|--|---------------------------------------|
| <b>Commencement of remote e-voting</b> | <b>9.00 A.M. 18th September, 2019</b> |
| <b>End of remote e-voting</b>          | <b>5.00 P.M. 20st September, 2019</b> |

Please note that remote e-voting will not be allowed beyond the aforesaid date and time and the e-voting module shall be disabled upon expiry of aforesaid period.

- g) The cut-off date for the purpose of voting (including remote e-voting) is **13th September, 2019**.
- h) The Scrutinizer, after scrutinizing the votes cast at the meeting (through Ballot Paper) and through remote e-voting, will, not later than three days of conclusion of the Meeting, make a consolidated scrutinizer’s report and submit the same to the Chairman. The results declared along with the consolidated scrutinizer’s report shall be placed on the website of the Company [www.fmecinternational.com](http://www.fmecinternational.com). The results shall simultaneously be communicated to the Stock Exchanges.

**Information and other instructions relating to e-voting are as under:**

- (i) The voting period begins on **Wednesday, 18th September 2019 from 09:00 A.M and ends on Friday, 20th September, 2019 till 05:00 P.M.** During this period shareholders’ of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. 13th September 2019 may cast their votes electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website **[www.evotingindia.com](http://www.evotingindia.com)**
- (iv) Click on Shareholders.
- (v) Now Enter your User ID
- a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any Company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

| <b>For Members holding shares in Demat Form and Physical Form</b> |   |
|---|---|
| <b>PAN</b>  | <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 sequence number is less than 8 digits enter the applicable number of 0’s before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul> |



|  |  |
|--|--|
| Dividend Bank Details<br>OR Date of Birth<br>(DOB) | Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to login. <ul style="list-style-type: none"> <li>• If both the details are not recorded with the depository or Company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).</li> </ul> |
|--|--|

- (ix) After entering these details appropriately, click on “SUBMIT” tab.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the F MEC INTERNATIONAL FINANCIAL SERVICES LIMITED
- (xiii) 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.
- (xiv) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xvi) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Shareholders can also cast their vote using CDSL’s mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.**
- (xx) Note for Non – Individual Shareholders and Custodians
  - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xxi) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)

(xxi) The Results shall be declared within three days from the date of AGM of the Company i.e. 24th September, 2019. The Results declared along with the Scrutinizer’s Report shall be placed on the Company’s website [www.fmecinternational.com](http://www.fmecinternational.com) and on the website of CDSL and communicated to the Bombay Stock Exchange.

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

#### Item No. 3:

The Board of Directors of the Company in its meeting held on 12th August, 2019 decided to change the name of the Company from “**F MEC INTERNATIONAL FINANCIAL SERVICES LIMITED**” to any of the following names, in the order of preference, as may be approved by the Central Registration Centre (CRC), Ministry of Corporate Affairs or by Reserve Bank of India :

- FASTA LOAN LIMITED
- FASTA FINTECH LIMITED

**And consequently alter Clause I (Name Clause) of the Memorandum of by changing the name of the Company from “F MEC INTERNATIONAL FINANCIAL SERVICES LIMITED” to “SUCH NAME THAT WILL BE DULY APPROVED BY THE CRC, MINSITRY OF CORPORATE AFFAIRS AND BY RESERVE BANK OF INDIA (RBI)”**

**AND Regulation (a) of Articles of Association of the Company be substituted by the following : “The Company” or “this Company” means “SUCH NAME THAT WILL BE DULY APPROVED BY THE CRC, MINSITRY OF CORPORATE AFFAIRS AND BY RESERVE BANK OF INDIA (RBI)”**

The decision to change the name of the Company is taken by the Board of Directors as the Company is proposing to launch an online application for fast and easy provision of small amount of Loans by virtue of being a NBFC (**Non-Banking Financial Company**) duly registered with **Reserve Bank of India (RBI) bearing Registration Number 14.01129.**

**Accordingly, the Directors believe that the change in the name of the Company which is being undertaken as part of corporate rebranding would make the name of the Company simple, sharp and focused and would clearly reflect the business activity undertaken by the Company.**

The new name of the Company shall be finalized either as “**FASTA LOAN LIMITED**” or as “**FASTA FINTECH LIMITED**” after the same has been duly approved and made available by the Registrar of Companies, National Capital Territory of Delhi and by Reserve Bank of India.

The proposed change of name will not affect any of the rights of the Company or of the shareholders/stakeholders of the Company. All existing share certificates bearing the current name of the Company will, after the change of name, continue to be valid for all purposes.

As per the provisions of Sections 13 of the Companies Act, 2014, approval of the shareholders is required to be accorded for changing the name of the Company & consequent alteration in the Memorandum of Association and Articles of Association by way of passing a Special Resolution. **Hence, the Board recommends the Special Resolution set out at Item No. 3 of the Notice for approval by the members.**

None of the directors, Key Managerial Personnel and their relatives is concerned or interested in the passing of the aforesaid resolution, except to the extent of their shareholding, if any.

The copies of the following documents are open for inspection at the Registered Office of the Company between 11:00 A.M. to 01:00 P.M. on any working day except Sundays and Company Holidays and Declared Holidays:

1. Copy of the Board/ Shareholder’s Resolution.
2. Notice of the AGM with Explanatory Statement.
3. Memorandum and Articles of Association of the Company

4. Balance Sheet as on 31st March, 2019 along with Profit & Loss Account and Auditors' Report thereon of the Company.

**Item No 4.**

The Board of Directors of the Company in its meeting held on 12th August, 2019 decided to alter the main objects clause of the Memorandum of Association (MOA) of the Company.

The said decision was taken by the respected Board in order to make the Main Object Clause of the Memorandum of Association comprehensive and concise and to include activities permitted to be undertaken by an NBFC from time to time.

As per the provisions of Sections 13 of the Companies Act, 2014, approval of the shareholders is required to be accorded for alteration in the Main Objects Clause of the Memorandum of Association of the Company by way of passing a Special Resolution. **Hence, the Board recommends the Special Resolution set out at Item No. 4 of the Notice for approval by the members.**

A copy of the proposed MOA of the Company would be available for inspection for the Members at the Registered Office of the Company between 11:00 A.M. to 01:00 P.M. on any working day except Sundays and Company Holidays and Declared Holidays till the date of AGM. The aforesaid documents are also available for inspection at the AGM.

None of the directors, Key Managerial Personnel and their relatives is concerned or interested in the passing of the aforesaid resolution, except to the extent of their shareholding, if any.

The copies of the following documents are also open for inspection at the Registered Office of the Company between 11:00 A.M. to 01:00 P.M. on any working day except Sundays and Company Holidays and Declared Holidays:

1. Copy of the Board/ Shareholder's Resolution.
2. Notice of the AGM with Explanatory Statement.
3. Memorandum and Articles of Association of the Company
4. Balance Sheet as on 31st March, 2019 along with Profit & Loss Account and Auditors' Report thereon of the Company.

**The Board recommends the Ordinary Resolution set out at Item No. 4 of the Notice for approval by the members.**

**Item No. 5**

As per the provisions of Section 204 of the Companies Act 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company being a Listed Company shall be subject to Secretarial Audit from Practising Company Secretary.

The Board hereby recommends re-appointing **M/s A.K. Verma & Co., Company Secretaries, (Registration No., Unique Code-S1997DE019500)** having experience of more than 20 years of Corporate Services in field of Corporate Laws as Secretarial Auditor of Company for the Financial Year 2019- 20.

None of the Directors / Key Managerial Personnel of the Company / their relatives is, in any way, concerned or interested, financially or otherwise, in these resolutions.

The copies of the following documents are open for inspection at the Registered Office of the Company between 11:00 A.M. to 01:00 P.M. on any working day except Sundays and Company Holidays and Declared Holidays:

1. Copy of the Board/ Shareholder's Resolution.
2. Notice of the AGM with Explanatory Statement.
3. Balance Sheet as on 31st March, 2019 along with Profit & Loss Account and Auditors' Report thereon of the Company.

**The Board recommends the Ordinary Resolution set out at Item No. 5 of the Notice for approval by the members.**

**F MEC INTERNATIONAL FINANCIAL SERVICES LIMITED**

**Registered office:** IInd Floor, Central Bank Building 13-B,

Netaji Subhash Marg, Daryaganj Delhi-110002

CIN: L65100DL1993PLC053936

**ADMISSION SLIP**

Members or their proxies are requested to present this form for admission, duly signed in accordance with their specimen signatures registered with the Company/Depositories.

DP ID.....

Client ID.....

Regd. Folio No.\*

No. of Shares.....

Name(s) in Full

Father's/Husband's Name

Address as Regd. with the Company

1.

2.

3.

I/WE HEREBY RECORD MY/OUR PRESENCE AT THE 26th ANNUAL GENERAL MEETING OF THE COMPANY BEING HELD ON SATURDAY, 21st DAY OF SEPTEMBER, 2019 AT 12:30 P.M. AT REGISTERED OFFICE OF THE COMPANY SITUATED AT IIND FLOOR, CENTRAL BANK BUILDING, 13-B, NETAJI SUBHASH MARG, DARYAGANJ, DELHI- 110002.

Member

Proxy

\_\_\_\_\_ Member's/Proxy's Signature\*\*

*\*Applicable for investors holding shares in physical form.*

*\*\*Please strike out whichever is not Applicable*

**Form No. MGT-11**  
**Proxy form**

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

**F MEC INTERNATIONAL FINANCIAL SERVICES LIMITED**  
IInd Floor, Central Bank Building 13-B, Netaji Subhash Marg, Daryaganj Delhi-110002  
CIN : L65100DL1993PLC053936

|                          |
|--------------------------|
| Name of the member (s) : |
| Registered address :     |
| E-mail Id:               |
| Folio No/ Client Id :    |
| DP ID:                   |

I/We, being the member (s) of ..... shares of the above named company, hereby appoint

1. Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
E-mail Id: \_\_\_\_\_ Signature :.....,or failing him
2. Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
E-mail Id: \_\_\_\_\_ Signature:.....,or failing him
3. Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
E-mail Id: \_\_\_\_\_ Signature:.....,or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 26th Annual General Meeting of the Company, to be held on the Saturday, 21st day of September, 2019 at 12:30 P.M. at the Registered Office Of The Company situated at IInd Floor, Central Bank Building, 13-B, Netaji Subhash Marg, Daryaganj, Delhi- 110002 and at any adjournment thereof in respect of such resolutions as are indicated below:

| Resolutions  | For(Approved) | Against(Rejected) |
|--|---------------|-------------------|
| 1. To consider and adopt the Audited Financial Statements (Standalone and Consolidated) for the year 31st March, 2019 together with the Board Report and Auditors' Report thereon. |               |                   |
| 2. To appoint a Director in place of <b>Mr. Apoorve Bansal (DIN: 08052540)</b> who retires by rotation and, being eligible, offers himself for re-appointment                      |               |                   |
| 3. To approve Change in Name of the Company and subsequent alteration in the Memorandum of Association (MOA) and Articles of Association of the Company (AOA) of the Company.      |               |                   |
| 4. To approve alteration of Main Objects in the Memorandum of Association of the Company (MOA) of the Company  |               |                   |
| 5. To re-appoint M/s A. K. Verma & Co., Company Secretaries (Registration No., Unique Code- S1997DE019500) as Secretarial Auditor for the Financial Year 2019-2020.                |               |                   |

Signed this.....day of..... 2019

Signature of shareholder..... Signature of Proxy holder(s).....



**Notes:**

- **Please put a 'X' in the Box in the appropriate column against the respective resolutions. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.**
- **A Proxy need not be a Member of the Company. Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as proxy on behalf of not more than fifty Members and holding in aggregate not more than ten percent of the total Share Capital of the Company. Members holding more than ten percent of the total Share Capital of the Company may appoint a single person as proxy, who shall not act as proxy for any other Member.**
- **This form of Proxy, to be effective, should be deposited at the Registered Office of the Company IInd Floor, Central Bank Building 13-B, Netaji Subhash Marg, Daryaganj Delhi-110002 at not later than FORTY-EIGHT HOURS before the commencement of the aforesaid Meeting.**
- **In the case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.**

## DIRECTORS' REPORT

### Dear Stakeholder(s)

Your Directors have pleasure in presenting the 26th Annual Report of the Company together with the Audited Statement of Accounts and Auditor's Report for the year ending 31st March, 2019.

### COMPANY OVERVIEW

**F MEC INTERNATIONAL FINANCIAL SERVICES LIMITED (CIN : L65100DL1993PLC053936)** is a BSE Listed Company (**Scrip Code : 539552**) having Registered Office at **IInd Floor, Central Bank Building 13-B, Netaji Subhash Marg Daryaganj, New Delhi- 110002** working as a Non Banking Finance Company after registration with Reserve Bank of India.

The Company has obtained registration as a Non- Banking Financial Company ("NBFC") from Reserve Bank of India bearing Registration Number- B-14.01129 dated 11th September, 1998.

The performance highlights and summarized financial results of the Company are given below:

### PERFORMANCE HIGHLIGHTS

- Consolidated Income for the FY 2018-2019 increased by 143.19% to Rs. 125.06 Lakhs as compared to Rs. 51.42 Lakhs in FY 2017-2018.
- Consolidated Profit before Tax for the FY 2018-2019 increased by 3.99% to Rs. 4.90 Lakhs as compared to Rs. 4.71 Lakhs in FY 2017-2018.
- Consolidated Profit after Tax for the FY 2018-2019 increased by 73.74% to Rs. 3.58 Lakhs as compared to Rs. 2.05 Lakhs in FY 2017-2018.
- The Earning Per Share (EPS) of the Company for the FY 2018-2019 also witnessed a hike of 73.64% raising to Rs. 0.1153 per share as compared to Rs. 0.0664 per share in FY 2017-2018.

### FINANCIAL RESULTS

Financial Year 2018-19 was a mixed year for the overall financial services sector in India. Despite operating in a challenging macro environment and with new Management in the Company comprising of young blood, Financial Year 2018-19 was a satisfying year for the Company. Profit for the year raised to **Rs. 3,82,684 (Rupees Three Lakhs Eight-Two Thousand Six Hundred Six Hundred and Eighty Four) as compared to the Previous Year Profit i.e. Rs 2,34, 694 (Rupees Two Lakhs Thirty Four Thousand Six Hundred and Ninety Four).**

The Financial Results of the Company for the year ended 31st March, 2019 are as follows:-

(Rs.)

| Particulars                             | 2018-2019   | 2017-2018  |
|---|-------------|------------|
| Gross Income                            | 1,25,06,055 | 51,42,414  |
| Profit before Interest and Depreciation | 6,20,215    | 5,29,893   |
| Less: Finance Charges                   | (5,537)     | (1,434)    |
| Gross Profit                            | 6,14,678    | 5,28,459   |
| Less: Provision for Depreciation        | (99,942)    | (28,761)   |
| Net Profit Before Tax                   | 5,14,736    | 4,99,698   |
| Less: Current Tax                       | (1,49,318)  | (1,25,577) |

|  |          |            |
|--|----------|------------|
| Less: Deferred Tax   | 17,266   | (1,39,427) |
| Net Profit After Tax   | 3,82,684 | 2,34,694   |
| <b>Appropriations:</b>   |          |            |
| <b>Transfer to Special Reserves and Reserves for Bad and Doubtful Debts<br/>(As per RBI Act, 1934 – applicable for NBFC)</b> | 2,46,446 | 1,01,673   |
| Proposed Dividend on Equity Shares   | -        | -          |
| Tax on proposed Dividend   | -        | -          |
| Earning per Equity Share (EPS)   | 0.1234   | 0.0757     |

**CONSOLIDATED REVENUE**

After adjusting the Revenue/ losses of the Subsidiary Company, the Company has attained the Net profit of Rs. 3,57,567 during the year. The detailed consolidated financials are as follows:-

(Rs.)

| Particulars       | 2018-2019   | 2017-2018 |
|-------------------|-------------|-----------|
| Gross Income      | 1,25,06,055 | 51,42,414 |
| Profit before Tax | 4,89,618    | 4,70,815  |
| Tax Expenses      | 1,32,051    | 2,65,004  |
| Profit after Tax  | 3,57,567    | 2,05,811  |

The Consolidated Financial Statement have been prepared by the Company in accordance with the Companies Act, 2013 ("the Act") and Accounting Standard (AS)-21 on Consolidated Financial Statements and other applicable accounting standards. The audited Consolidated Financial Statements together with Auditor's Report form part of this Annual Report.

**SHARE CAPITAL**

The Authorised Share Capital of the Company as on 31st March 2019 was **Rs. 3,50,00,000 (Rupees Three Crore Fifty Lacs Only)** and Paid-up Equity Share Capital of the Company as on March 31st, 2019, was **Rs. 3,10,07,000 (Rupees Three Crore Ten Lacs and Seven Thousand Only)**. There was no change in the Authorized or the Paid-up Capital/Subscribed Capital during the Financial Year 2018-19.

**a. Buy Back Of Securities**

The Company has not bought back any of its securities during the year under review as per the provisions of Section 68 of the Companies Act, 2013 read with the Rule 17 of the Companies (Share Capital and Debenture) Rules, 2014.

**b. Sweat Equity**

The Company has not issued any Sweat Equity Shares during the year under review as per the provisions of Section 54 of the Companies Act, 2013 read with Rule 8 of the Companies (Share Capital and Debenture) Rules, 2014.

**c. Bonus Shares**

No Bonus Shares were issued during the year under review as per the provisions of Section 63 of the Companies Act, 2013 read with Rule 14 of the Companies (Share Capital and Debenture) Rules, 2014.

**d. Employees Stock Option Plan**

The Company has not provided any Stock Option Scheme to the employees pursuant to Section 62 (1) (b) of the Companies Act, 2013 read with Rule 12 of the Companies (Share Capital and Debenture) Rules, 2014.



**e. Shares With Differential Rights**

The Company has not issue any Equity shares with Differential Rights pursuant to the provisions of Rule 4 of the Companies (Share Capital and Debenture) Rules, 2014.

**RESERVES AND SURPLUS**

**As per Section 45- IC of the Reserve Bank of India Act, 1934** every Non -Banking Financial Company shall create a Reserve Fund and transfer therein a sum not less than 20% of its Net Profit every year before declaring any dividend.

The Company is in practice of transferring a sum of 20% to the Reserve fund specifically made for the purpose named '**Special Reserve as per RBI Act**' from the Profit earned by the Company during the year.

Also, the Company has pursuant to Notification of Reserve Bank of India dated January 17, 2011 vide Notification no. DNBS.PD.CC.No.207/03.02.002/2010-11 for making the '**Provision of 0.25% for Standard Assets of NBFCs**' has transferred a sum of 0.25% on the Standard Assets of the Company under the Reserve named "**Provision for Bad and Doubtful Debts**".

Further the Company is complying with all the Reserve Bank of India Guidelines as issued from time to time related to provisioning and reserves.

**DIVIDENDS**

Considering the present conditions of business and growth stage of Company, the Board of Directors of the Company has decided not to recommend any dividend for the Financial Year 2018-19. The Management being optimistic about the return from business activities has proposed to plough back divisible profit into the main activities of the Company.

**DEPOSITS**

Every Non- Banking Finance Company registered with the Reserve Bank of India has to comply with all the terms and conditions as stipulated by the Certificate of Registration with RBI.

**F Mec International Financial Services Limited** has been registered as a Non Banking Finance Company- Not accepting deposits. Hence, pursuant to Section 45- IA of the Reserve Bank of India Act 1934, the Company cannot accept deposits from public, in compliance of which the Company has not accepted any Deposits during the year. Further, the Directors of the Company assured to carry on the practice of not accepting the same in order to comply with RBI norms and guidelines in the coming year and the same has been proposed and passed in the meeting of Board of Directors dated 22nd May, 2019.

*Further, the Ministry of Corporate Affairs (MCA) vide it's notifications No. G.S.R. 42(E) and G.S.R 341(E) dated 22nd January, 2019 and 30th April, 2019, respectively amended Rule 16 of Companies (Acceptance of Deposits) Rules 2014 and made it mandatory for Companies to file One- Time Return of outstanding receipt of money or loan by a company but not considered as deposits, in terms of clause (c) of sub-rule 1 of rule 2 of Companies (Acceptance of Deposit) Rules from the 01st April, 2014 till 31st March, 2019 and to file Annual Return of particulars of transactions not considered as Deposits till 30th June, respectively.*

*However, the Company being a Non-Banking Financial Company (NBFC) duly registered with RBI was exempted from the above mentioned Compliance by virtue of exemption granted to it in clause (iii) of sub-rule 3 of Rule 1 of Companies (Acceptance of Deposits) Rules, 2014.*

**DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE**

During the year under review, there were no significant and material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and Company's operations in future.

**MATERIAL CHANGES AND COMMITMENT, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THIS FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT**

No material changes and/or commitments affecting the Financial Position of the Company occurred between the end of the Financial Year to which these Financial Statements relate and the Date of issue of this Report.

**DIRECTORS AND KEY MANAGERIAL PERSONNEL****A. Directors**

Your Company, currently, has following four Directors on the Board, namely:

- **Mr. Apoorve Bansal (DIN: 08052540) – Managing Director**
- **Mr. Awanish Srivastava (DIN: 07810744) – Non- Executive Independent Director**
- **Mrs. Richa Choudhary (DIN: 0813225) - Non- Executive Independent Director**
- **Mr. Rohit Agrawal (DIN: 06490313) – Non- Executive Independent Director**

During the year under review, **Mr. Vishal Babbar (DIN: 07772465)** who was appointed as an **Additional Executive Director** of the Company in the meeting of Board of Directors duly held on **15th January, 2018** and thereafter regularized in the Annual General Meeting of the Company for the Financial Year 2017-2018 duly convened on **22nd September, 2018** has resigned from his office as Director w.e.f. **8th February, 2019** in compliance with the provisions of Section 168 of the Companies Act, 2013 read with applicable rules of Companies (Appointment and Qualification of Directors) Rules, 2014.

Pursuant to provisions of Section 152 of the Companies Act, 2013, **Mr. Apoorve Bansal (DIN: 08052540)**, Director of the Company shall retire by rotation at the ensuing Annual General Meeting and being eligible has offered himself for re-appointment. The Board recommends his re-appointment.

All the Directors of the Company have confirmed that they satisfy the “fit and proper” criteria as prescribed in Chapter XI of RBI Master Direction No. DNBR. PD. 008/ 03.10.119/2016-17 dated 1st September, 2016 and that they are not disqualified from being appointed /continuing as Directors in terms of Section 164(2) of the Companies Act, 2013.

**B. Key Managerial Personnel of the Company**

During the year under review, there has been no change in the Key Managerial Personnel (KMP) of the Company and the following persons continue to be the KMPs as per the provisions of Section 203 of the Companies Act, 2013 read with the applicable Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

- **Mr. Apoorve Bansal (DIN: 08052540) – Managing Director**
- **Mr. Manoj Kumar – Chief Financial Officer (CFO)**
- **Ms. Radhika Kathuria – Company Secretary (CS)**

**DECLARATION BY INDEPENDENT DIRECTORS**

The Company has received declarations from all Independent Directors of the Company confirming that they meet the criteria of Independence, as prescribed under Section 149 of the Companies Act, 2013 and Regulation 25 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. The Independent Directors have also confirmed that they have complied with the Code of Conduct for Independent Directors as prescribed under Schedule IV of the Companies Act, 2013.

**BOARD DIVERSITY, THEIR APPOINTMENT AND REMUNERATION**

The Company's Board of Directors constitute of Four Directors comprising of One Executive Director and Three Non-Executive Independent Directors. Appointment of Independent Directors of the Company shall be governed by the Code of Independent Director and Appointment of Non Independent Directors of the Company shall be governed by the Policy of Nomination and Remuneration of the Company. The detailed policy on appointment of Directors is available on the Company's website at [www.fmecinternational.com](http://www.fmecinternational.com).

**ANNUAL BOARD EVALUATION AND FAMILIARISATION PROGRAMME FOR BOARD MEMBERS**

A note on familiarization program adopted by the Company for orientation and training of its Directors and Board Evaluation Process undertaken in compliance with the provisions of the Companies Act, 2013 and the same forms part of the Corporate Governance, which forms part of this Report.

The Report generated after evaluation of the Board will be considered by the Board for the purpose of optimizing their effectiveness.

A note indicating the policy of Annual Evaluation of the entire Board of Directors and the Independent Directors forms part of this Report and has been attached as **Annexure-VII**.

#### **COMMITTEES OF BOARD, NUMBER OF MEETINGS OF BOARD AND BOARD COMMITTEES**

The Board of Directors met **Four (4)** times during the year. The Company has Four Committees out of its Board namely **Executive Committee, Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee**

A detailed update on the Board, its composition, detailed charter including terms and reference of various Board Committees, number of Board and Committee meetings held during FY 2018-19 and attendance of the Directors at each meeting is provided in the Report on Corporate Governance, which forms part of this Report.

#### **SECRETARIAL STANDARDS**

The Directors state that applicable Secretarial Standards, i.e. SS-1 and SS-2, relating to 'Meetings of the Board of Directors' and 'General Meetings', respectively, have been duly followed by the Company.

#### **SUBSIDIARY, ASSOCIATE AND JOINT VENTURE COMPANIES**

As on 31st March, 2019 the Company neither has any Associate Company nor any Joint Venture Company. **YDS Securities Private Limited continues to be the Subsidiary of the Company.**

Pursuant to Section 129(3) of the Companies Act, 2013 read with Rule 5 of Companies (Accounts) Rules, 2014, Consolidated Financial Statements of the Company has been annexed to the Annual Report which reflects the Performance and Financial Position of the Subsidiary.

The Audited Financial Statements of its Subsidiary Company is available for inspection at the Company's Registered Office and also at Registered Office of the Subsidiary Company pursuant to the provisions of Section 136 of the Companies Act, 2013. The Financial Statements of its Subsidiary Companies are also available on the Company's website [www.fmecinternational.com](http://www.fmecinternational.com). Copies of the Annual Accounts of the Subsidiary Company will also be made available to the investors of F Mec International Financial Services Limited and those of the respective companies upon request.

The Details of Subsidiary Company as required to be disclosed under the provisions of Section 129(2) of the Companies Act, 2013 in form AOC-1 is provided and forms a part of the Annual Report as **Annexure-V**.

#### **AUDITORS AND AUDITORS' REPORT**

##### **Statutory Auditors**

M/s Sanjay K Singhal & Co., Chartered Accountants, Auditors of the Company were appointed as Statutory Auditors in the Annual General Meeting held on **27th September, 2015** for a period of five consecutive years to hold office upto the conclusion of the Annual General Meeting to be held in the year **2020**. However, the requirement to place the matter relating to appointment of Auditors for ratification by members at every Annual General meeting as required pursuant to the provisions of Section 139(1) of the Companies Act, 2013 is done away with vide Notification dated **7th May, 2018** issued by the Ministry of Corporate Affairs (MCA), New Delhi. Accordingly, no resolution is proposed for ratification of appointment of Auditors in the Annual General Meeting of the Company to be held in the year 2019.

The Report given by the Auditors on the Financial Statements of the Company for the Financial Year 2018-19 is a part of the Annual Report. The Report is unmodified and does not contain any qualification, reservation, adverse remark or disclaimer.

##### **Secretarial Auditor and Secretarial Audit Report**

**M/s A.K. Verma & Co, Practicing Company Secretaries (Registration No., Unique Code- S1997DE019500)** was appointed to conduct the Secretarial Audit of the Company for the Financial Year 2018-2019, as required under Section 204 of the Companies Act, 2013 and rules framed there under. The Secretarial Audit Report for the Financial Year 2018-2019 forms part of the Annual Report as Annexure VI to the Board's report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

The Board has re-appointed M/s A.K. Verma & Co, Practicing Company Secretaries, as the Secretarial Auditor of the Company for the Financial Year 2019-2020 after obtaining their consent to act in such capacity.

**Internal Auditors**

M/s. Khem Shiv & Associates, Chartered Accountants (FRN: 019459N) was appointed to conduct the Internal Audit of the Company for the Financial Year 2018-2019, as required under Section 138 of the Companies Act, 2013 and rules framed there under.

The scope, functioning, periodicity and methodology for conducting the Internal Audit of the Company is formulated by the Audit Committee of the Company, in consultation with the Internal Auditors.

The Board has now appointed M/s. Rajeev Shankar & Co., Chartered Accountants (FRN: 014006N) as Internal Auditor of the Company for the Financial Year 2019-2020 after obtaining their consent to act in such capacity.

**REPORTING OF FRAUDS BY AUDITORS**

During the year under review, the Statutory Auditors has not reported any instances of frauds committed in the Company by its Officers or Employees, to the Audit Committee under Section 143(12) of the Companies Act, 2013, details of which need to be mentioned in this Report.

**CORPORATE SOCIAL RESPONSIBILITY**

The Company has not developed and implemented any Corporate Social Responsibility initiatives as the said provisions of Section 135 of the Companies Act, 2013 are not applicable to the Company.

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

Pursuant to Regulation 34 of the SEBI (Listing Regulations and Disclosure Requirements) Regulations, 2015 in respect of Management Discussion and Analysis Report for the year under review is presented in a Separate section, forming part of the Annual Report as *Annexure- III*

**CORPORATE GOVERNANCE**

A detailed report on Corporate Governance pursuant to Regulation 34 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 forms part of the Annual Report as *Annexure-I*. As per the provisions of Regulation 15(2) of the SEBI (Listing Obligations & Disclosure Requirements) Regulation 2015, provision of Regulation 27 is applicable to the Companies having paid up equity share capital exceeding Rs. 10 Crore and Net Worth exceeding Rs. 25 Crore, as on the last day of the previous financial year. The Company is not covered under any of the Criterion mentioned above so it is not mandatory for the Company to comply the Provisions of the Regulation 27 of the SEBI (LODR) Regulations, 2015. So the Company is not required to file Corporate Governance Certificate to the Stock Exchange on Quarterly Basis.

**RISK MANAGEMENT**

During the year, the Board of Directors developed and implemented an appropriate risk management policy which is entrusted with the responsibility to assist the Board in overseeing and approving the Company's enterprise wide risk management framework and overseeing all the risks that the organization faces, identifying the element of risk which, in the opinion of the Board may threaten the existence of the Company and safeguarding the Company against those risks.

**INTERNAL FINANCIAL CONTROL SYSTEM**

The Company has an Internal Financial Control System, commensurate with the size, scale and complexity of its operations.

**VIGIL MECHANISM**

The Vigil Mechanism of the Company pursuant to the provisions of section 177(9) & (10) of the Companies Act, 2013 which also incorporates a Whistle Blower Policy in term of provisions of Regulation 22(1) of the SEBI (LODR) Regulations, 2015 for the year ended March 31st, 2019 (as per their applicability) includes an Ethics & Compliance Task Force comprising Senior Executives of the Company. Protected disclosures can be made by a whistle blower through an e-mail or dedicated telephone line or a letter to the Task Force or to the Chairperson of the Audit Committee i.e Mr. Awanish Srivastava either personally or through e-mail at [fmecinternational@gmail.com](mailto:fmecinternational@gmail.com) or call at 011-43680407.

**PREVENTION OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE**

The Board has made a Committee of Board presided by Mrs. Richa Choudhary, Director of the Company for the purpose of prevention of Sexual Harassment of Women at workplace. Every individual has right to treat his/her colleagues with respect and dignity. This is enshrined in values and in the code of Ethics & Conduct of the Company. The Company has in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013 made various provisions to safeguard the interest of the female employees (whether permanent, contractual, temporary and trainees) under this policy. The policy governs the misconduct with respect to discrimination or sexual harassment.

Further, the Company has complied with the provisions regarding the constitution of Internal Complaints Committee under the Sexual Harassment of Women as Workplace (Prevention, Prohibition and Redressal) Act, 2013 as required to be disclosed under Clause (x) of sub-rule 5 of Rule 8 of the Companies (Accounts) Rules, 2014 (*inserted by MCA Notification dated 31.07.2018*).

**EXTRACT OF ANNUAL RETURN**

An extract of the Annual Return of your company, pursuant to Section 92(3) of the Companies Act, 2013, is given herewith as **Annexure II**. The annual return of the company for the financial year 2018-19, after filing with the Ministry of Corporate Affairs, can also be obtained from <https://www.fmecinternational.com/FinancialReports/AnnualReturns>.

**LOANS, GUARANTEE AND INVESTMENT**

The particulars of Loans given, Investments made and Guarantee given by Company under Section 186 of the Companies Act, 2013 is annexed as **Annexure IV**.

**PARTICULARS OF RELATED PARTY TRANSACTION**

There were no contracts or arrangements entered into by the Company in accordance with provisions of section 188 of the Companies Act, 2013. Further, all The Related Party Transactions in terms of the Provisions of Companies Act 2013 were entered in the ordinary course of business during the Financial Year 2018-2019 and were also at arm's length basis. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other Designated Person which may have a potential conflict with the interest of Company at large.

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

The particulars as required under the provisions of Section 134(3)(m) of the Companies Act, 2013 in respect of Conservation of Energy and Technology Absorption have not been furnished considering the nature of activities undertaken by the Company during the year under review. Further during the year under review, the Company has neither earned nor used any foreign exchange.

**DISCLOSURE REGARDING MAINTENANCE OF COST RECORDS**

Since the Company is engaged in the business of Non- Banking Financial Company, therefore the provisions of Section 148 of the Companies Act, 2013 regarding maintenance of Cost Records and Cost Audit is not applicable to the Company as required to be disclosed under Clause (ix) of sub-rule 5 of Rule 8 of the Companies (Accounts) Rules, 2014 (*inserted by MCA Notification dated 31.07.2018*).

**DIRECTORS' RESPONSIBILITY STATEMENT**

As required under Section 134(5) of the Companies Act, 2013, the Directors of the Company hereby state that:

- i. In the preparation of the annual accounts for the year ended 31st March 2019, the applicable accounting standards had been followed along with proper explanation relating to material departures.
- ii. The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year and of the Profit and Loss of the Company for that period.
- iii. The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv. The Directors had prepared the annual accounts on a Going Concern Basis.

- v. The Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- vi. The Directors had devised proper system to ensure compliance with the provisions of all applicable laws and such system were adequate and operating effectively.

**ACKNOWLEDGEMENT**

The Board expresses their gratitude to its all stakeholder's i.e. members, customers, Government agencies and their departments, Bankers of the Company for their continued support and faith. The Directors place on record their sincere appreciation to all the employees of the Company for their contribution in the growth of the Company.

**Place : New Delhi****Apoorve Bansal****Rohit Agrawal****Date : 12.08.2019****Managing Director****Director****DIN : 08052540****DIN : 06490313****ANNEXURE TO DIRECTORS REPORT**

| <b>Annexure</b> | <b>Contents</b>                           |
|-----------------|---|
| I               | Corporate Governance Report               |
| II              | Extract of Annual Report in MGT-9         |
| III             | Management Discussion and Analysis Report |
| IV              | Loans, Guarantee & Investments            |
| V               | Details of Subsidiary in AOC-1            |
| VI              | Secretarial Audit Report (MR-3)           |
| VII             | Annual Evaluation of Board                |

## Annexure-I

### CORPORATE GOVERNANCE REPORT

#### (Forming Part of Director's Report)

This Report is prepared in accordance with the provisions of the **Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations')** as amended from time to time, and the report contains the details of Corporate Governance systems.

Corporate Governance is all about ethical conduct, openness, integrity and accountability of an enterprise. Healthy Corporate governance enjoins a commitment of the Company to run the business in legal, ethical and transparent manner. It is more than just a set of practices and procedures; it is the spirit of employee towards the organization to achieve its goals in an ethical way and in such a manner that can contribute to the growth of whole nation. It is one of the key elements in improving the economic efficiency of the enterprise.

The Company recognizes its role as a corporate citizen and endeavors to adopt the best practices and the highest standards of corporate governance through transparency in business ethics, accountability to its customers, Government and others. The Company's activities are carried out in accordance with good corporate practices and the Company is constantly striving to better them by adopting best practices.

#### **Company's Philosophy of Corporate Governance**

Company's Philosophy of Corporate Governance is always aimed at value creation, keeping interest of all stakeholders protected in most inclusive way. **F Mec International** continues to be committed to good Corporate Governance aligned with best practices. We believe that good Corporate Governance emerges from the application of **best and sound management practices and compliance with the laws** coupled with adherence to the **highest standards of transparency and business ethics**. The Company places great emphasis on values such as **empowerment and integrity of its employees, safety of the employees & communities, transparency in decision making process, fair & ethical dealings with all and accountability to all the stakeholders**. The Corporate governance practices implemented by the Company seek to protect, recognize and facilitate shareholders rights and ensure timely and accurate disclosure to them.

The Company will continue to focus its resources, strengths and strategies to achieve its vision of becoming a leading financial services company in India, while upholding the core values of **transparency, integrity, honesty and accountability**, which are fundamental to the Company.

#### **Corporate Governance reporting under Chapter IV of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

Our Company is in compliance with the guidelines on Corporate Governance stipulated under various Regulation of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Listing Agreement with stock exchanges and in this regards, we submit a report on the matters mentioned in the said Regulations and practices followed by the Company.

But as per the provisions of Regulation 15(2) of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 as amended from time to time, the Regulations of Corporate Governance specified in Regulation 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27 and clauses (b) to (i) of sub-regulation 46 and para C, D and E of Schedule V are not applicable to our Company but Company has continued to comply with the guidelines of Corporate Governance to the extent possible.

It is also to be noted that since Para C of Schedule V of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 is not applicable on the Company by virtue of Regulation 15(2) of SEBI LODR, therefore Matrix setting out the skills/expertise/competence of the Board of Directors has not been provided as specified under sub-clause h of clause 2 of Part C of the said Schedule V.

The Company has put in place an internal governance structure with defined roles and responsibilities of every constituent of the system. The Board of Directors of the Company are duly appointed in compliance with the applicable provisions of the Companies Act, 2013 and applicable Regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, which in turn governs the Company.

The Board has established Four Committees to discharge its responsibilities in an effective manner. The Managing Director (MD) provides overall direction and guidance to the Board. In the operations and functioning of the Company, the MD is assisted by three Independent Directors, and a core group of senior level executives. The MD is responsible for corporate strategy, brand equity, planning, external contacts and all management matters.



**BOARD OF DIRECTORS**

The Company has optimum combination of Executive, Non-Executive Independent Directors and Woman Director. The Board consists of Four Directors out of which one is Executive Director and three are Non-Executive- Independent Directors. The composition of the Board is in conformity with Regulation 17 of the SEBI Listing Regulations read with Section 149 of the Companies Act, 2013. None of the Directors on the Board is a member of more than 10 Committees and Chairperson of more than 5 Committees as specified in the Clause 26 (1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, across all the companies in which they are directors. The necessary disclosures regarding Committee positions have been made by the Directors.

As per the declaration received by the Company, none of the Directors is disqualified under section 164(2) of the Companies Act, 2013.

**THE COMPOSITION OF THE BOARD OF DIRECTORS AS ON MARCH 31ST, 2019 IS AS UNDER:-**

| Sl.No. | Name of Director       | Executive/ Non Executive    | No. of other Directorship |
|--------|------------------------|-----------------------------|---------------------------|
| 1.     | Mr. Apoorve Bansal     | Executive                   | 1                         |
| 2.     | Mr. Awanish Srivastava | Non-Executive & Independent | 0                         |
| 3.     | Mrs. Richa Choudhary   | Non-Executive & Independent | 0                         |
| 4.     | Mr. Rohit Aggarwal     | Non-Executive & Independent | 0                         |

**Notes:**

1. Mr. Vishal Babbar (DIN: 07772465) who was appointed as an additional Executive Director in the meeting of the Company w.e.f. 15th January, 2018 resigned the said office on 8th February, 2019.
2. None of the other directors are related to any other director on the Board.



Mr. Apoorve Bansal is the Managing Director of the Company. Mr. Manoj Kumar acting as a Chief Financial Officer, serving the Company with his wide expertise in Accounts and Financial Management. Ms. Radhika Kathuria, the Company Secretary of the Company has also been acting as the Compliance officer of the Company.

**NUMBER OF BOARD MEETINGS:**

The Board of Directors is the apex body constituted for overseeing the company's overall functioning. The Board provides and evaluates the company's strategic direction, management policies and their effectiveness, and ensures that shareholders' long term interests are being served. Meetings of the Board and its Committee(s) are held in New Delhi and scheduled well in advance.

Minimum four pre-scheduled Board Meeting are held every year. For the purpose of some specific approval of the Board of Directors, operation vide Executive Committee of the Board has been done.

During the year ending 31st March, 2019, the Board of Directors of the Company met **four times on 18.05.2018, 10.08.2018, 12.11.2018 and 04.02.2019**. The maximum gap between any two meetings was less than one hundred and twenty days, as stipulated under Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard as issued by the Institute of Company Secretaries of India applicable to the Company.

**DIRECTORS' ATTENDANCE RECORD AND THEIR OTHER DIRECTORSHIPS/ COMMITTEE MEMBERSHIP**

The following is the attendance sheet of all Directors present in the meeting of the Board, its committees and Annual General Meeting held during the year ending on 31st March, 2019:

| Name of the Director   | Category                           | Attendance Particulars |          |                                | No. of other Directorship and Committee Membership |                      |                        |
|------------------------|------------------------------------|------------------------|----------|--------------------------------|--|----------------------|------------------------|
|                        |                                    | No. of Board meeting   |          | Last AGM held on<br>22.09.2018 | Other Directorship                                 | Committee Membership | Committee Chairmanship |
|                        |                                    | Held                   | Attended |                                |  |                      |                        |
| Mr. Apoorve Bansal     | MD/ Executive                      | 4                      | 4        | Present                        | 1  | 3                    | 1                      |
| Mr. Vishal Babbar      | Executive Director                 | 4                      | *3       | Not Present                    | 0  | *1                   | 0                      |
| Mr. Rohit Agrawal      | Non Executive Independent Director | 4                      | 3        | Present                        | 1  | 4                    | 1                      |
| Mr. Awanish Sriavstava | Non Executive Independent Director | 4                      | 3        | Not Present                    | 0  | 4                    | 2                      |
| Mrs. Richa Choudhary   | Non Executive Independent Director | 4                      | 4        | Not Present                    | 0  | 1                    | 0                      |

**\* Mr. Vishal Babbar (DIN: 07772465) who was appointed as an additional Executive Director in the meeting of the Company w.e.f. 15th January, 2018 resigned the said office on 8th February, 2019 and accordingly also ceased to be a member of the Executive Committee of the Board w.e.f. 8th February, 2019.**

**LIMIT ON NUMBER OF DIRECTORSHIP**

In compliance with the Listing Regulations, Directors of the Company do not serve as Independent Director in more than seven Listed Companies or in case he/she is serving as a Whole- Time Director in any Listed Company, does not hold such position in more than three Listed Companies.

**SHAREHOLDING OF NON-EXECUTIVE DIRECTORS**

Mr. Rohit Agrawal, Non-Executive Independent Director is holding 61,600 equity shares of Rs. 10/- each in the Company aggregating to 1.98% of the total paid-up equity share capital of the Company. None of the other Non - Executive Director holds any shares in the Company. Further, the Company has not issued any convertible instruments hence disclosure in this respect is not applicable.

**INDEPENDENT DIRECTORS**

As mandated by Regulation clause (b) of Sub- Regulation 1 of Regulation 16 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Independent Directors on the Board of the Company:

- a. are persons of integrity and possess relevant expertise and experience, in the opinion of the Board of Directors;
- b. are or were not promoters of the listed entity or its holding, subsidiary or associate company or member of the promoter group of the listed entity;
- c. are not related to promoters or directors in the listed entity, its holding, subsidiary or associate company;
- d. apart from receiving Director's remuneration, have or had no material pecuniary relationship with the Company, its holding, subsidiary or associate Company, or their Promoters or Directors, during the two immediately preceding financial years or during the current financial year;
- e. have no relative, who has or had pecuniary relationship or transaction with the Company, its holding, subsidiary or associate Company, or their Promoters, or Directors, amounting to two per cent or more of its gross turnover or total income or Fifty Lakh rupees or such higher amount as may be prescribed from time to time, whichever is lower, during the two immediately preceding financial years or during the current financial year;
- f. neither themselves nor any of their relatives —
  - i. hold or have held the position of a Key Managerial Personnel or are or have been employee of the Company or its holding, subsidiary or associate Company in any of the three financial years immediately preceding the Financial Year in which they were proposed to be appointed;
  - ii. are or have been an employee or proprietor or a partner, in any of the three financial years immediately preceding the Financial Year in which they were proposed to be appointed, of —
    - a firm of Auditors or Company Secretaries in practice or Cost Auditors of the Company or its holding, subsidiary or associate Company; or
    - any legal or a consulting firm that has or had any transaction with the Company, its holding, subsidiary or associate Company amounting to ten per cent or more of the gross turnover of such firm;
    - hold together with their relatives two percent or more of the total voting power of the Company; or
    - is a Chief Executive or Director, by whatever name called, of any Non-Profit Organisation that receives twenty-five percent or more of its receipts or corpus from the Company, any of its Promoters, Directors or its holding, subsidiary or associate Company or that holds two percent or more of the total voting power of the Company;
    - is a material supplier, service provider or customer or a lessor or lessee of the Company;
    - is not less than 21 years of age.
    - Are not Non- Independent Director of any other Company on the Board of which any Non-Independent Director of the Company is an Independent Director

Further, pursuant to the provisions Companies Act, 2013 and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Independent Directors have confirmed that they meet the criteria of Independence laid down under the Companies Act, 2013 and the Listing Regulations and they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective judgment and without any external influence.

**MAXIMUM TENURE OF INDEPENDENT DIRECTORS**

In accordance with Section 149(11) of the Companies Act, 2013, the current tenure of **Mr. Rohit Agrawal, Mr. Awanish Srivastava, and Mrs. Richa Choudhary**, Independent Directors of the Company is for a term of 5 consecutive years from the date of appointment in the year **2015, 2018 and 2018** respectively.

**TERMS AND CONDITIONS OF APPOINTMENT OF INDEPENDENT DIRECTORS**

The terms and conditions of appointment of Independent Directors have been disclosed on the website of the Company at [www.fmecinternational.com](http://www.fmecinternational.com)

**PERFORMANCE EVALUATION OF INDEPENDENT DIRECTORS**

The Board of Directors upon recommendation of Nomination and Remuneration Committee have laid down the criteria for performance evaluation of Board of the Company, its Committees and the individual Board Members, including Independent Directors.

The evaluation of Independent Directors was done by the entire Board which included evaluation of performance of the Directors and fulfillment of the Independence Criteria as specified in the Listing Regulations and their independence from the Management. The Director who was subject to evaluation did not participate. On the basis of performance evaluation done by the Board, it shall be determined whether to extend or continue their term of appointment, as and when their respective term expires.

**SEPARATE MEETING OF THE INDEPENDENT DIRECTORS**

All Independent Directors of the Company met separately on 04.02.2019 without the presence of Non- Independent Directors and Members of Management. In accordance with the Listing Regulations, following matters were, inter-alia, reviewed and discussed in the meeting:

- **Performance of Non-Independent Directors and the Board of Directors as a whole.**
- **Performance of the Chairperson of the Company taking into consideration the views of Executive and Non- Executive Directors.**
- **Assess the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.**

**FAMILIARISATION PROGRAMME**

The Company has adopted a structured programme for orientation of Independent Directors at the time of their joining so as to familiarise them with the Company – its operations, business, industry and environment in which it functions and the regulatory environment applicable to it. The Company updates the Board Members on a continuing basis on any significant changes therein and provides them an insight to their expected roles and responsibilities so as to be in a position to take well-informed and timely decisions and contribute significantly to the Company.

Pursuant to Regulation 46 of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, the policy of familiarization programme is available on the website of the Company at the web-link: [https://www.fmecinternational.com/Investor/Corporate Governance/ Policies and Code of Conduct](https://www.fmecinternational.com/Investor/CorporateGovernance/PoliciesandCodeofConduct).

**REMUNERATION OF DIRECTORS:**

The remuneration paid to Executive Director of the Company has been approved by the Board of Directors on the recommendations of the Nomination and Remuneration Committee. At present, the Company is not paying any remuneration to any of its Directors, as the Company's Financial Position is not so well. Any remuneration to be paid in future shall be in accordance with the Remuneration Policy of

the Company as embarked on the website of the Company duly approved by the Nomination and Remuneration Committee of the Company.

#### CODE OF CONDUCT

Commitment to ethical professional conduct is a must for every employee, including Board Members and Senior Management Personnel of the Company. The Code is intended to serve as a basis for ethical decision-making in conduct of professional work. The Code of Conduct enjoins that each individual in the organization must know and respect existing laws, accept and provide appropriate professional views, and be upright in his conduct and observe corporate discipline. The duties of Directors including duties as an Independent Director as laid down in the Companies Act, 2013 also forms part of the Code of Conduct.

#### COMMITTEES OF THE BOARD

Following are the Statutory Committees of the Board:

- A. Executive Committee
- B. Audit Committee
- C. Nomination and Remuneration Committee
- D. Stakeholders' Relationship Committee

The Composition of various Committees of the Board of Directors is available on the website of the Company at [www.fmecinternational.com](http://www.fmecinternational.com). The Board is responsible for constituting, assigning, co-opting and fixing the terms of reference of various Committees. Details on the role and composition of these Committees, including the number of meetings held during the Financial Year and the related attendance are provided below.

#### A. EXECUTIVE COMMITTEE

Executive Committee, being an extension of the Board of Directors of the Company, is constituted to perform the functions of the Board whenever it is not feasible and possible for the Board of Directors to meet frequently in order to execute major functions and take strategically important Decisions. In other words, the Committee is an extension of the Board of Directors of the Company and possess equivalent authority, responsibility and accountability as the Board of Directors of the Company.

As on March 31st 2019, the Executive Committee comprise of Members as stated below. During the Financial Year 2018-19, the Executive Committee met **thrice** on **12.05.2018, 06.06.2018 and 08.02.2019**

| Sl. No. | Name                   | Designation | Number of Meetings Held<br>(During the tenure of director) | Number of Meetings Attended |
|---------|------------------------|-------------|--|-----------------------------|
| 1.      | Mr. Apoorve Bansal     | Chairperson | 3  | 3                           |
| 2.      | Mr. Vishal Babbar      | Member      | 2  | *2                          |
| 3.      | Mr. Awanish Srivastava | Member      | 3  | 2                           |
| 4.      | Mr. Rohit Agrawal      | New Member  | NA   | **NA                        |

*\*Mr. Vishal Babbar (DIN: 07772465) resigned from his office as Director of the Company w.e.f. 08.02.2019 and therefore ceased to be member of the Executive Committee from the said date.*

*\*\*Mr. Rohit Agrawal (DIN: 07772465) became the a member of Executive Committee of the Board w.e.f. 08.02.2019 in place of Mr. Vishal Babbar (DIN: 07772465) who resigned from his office as Director of the Company from the said date.*

**B. AUDIT COMMITTEE**

As on March 31st 2019, the Audit Committee comprise of Members as stated below. The composition of the Committee is in conformity with the SEBI (LODR) Regulations, 2015. During the Financial Year 2018-19, the Audit Committee met **four** times on **18.05.2018, 10.08.2018, 12.11.2018 and 04.02.2019**. The time gap between any two meetings was less than 120 days.

| Sl. No. | Name                   | Designation | Number of Meetings Held<br>(During the tenure of director) | Number of Meetings Attended |
|---------|------------------------|-------------|--|-----------------------------|
| 1.      | Mr. Awanish Sriavstava | Chairperson | 4  | 3                           |
| 2.      | Mr. Apoorve Bansal     | Member      | 4  | 4                           |
| 3.      | Mr. Rohit Agrawal      | Member      | 4  | 3                           |

All the Members of the Audit Committee possess strong accounting and financial management knowledge. The Committee's composition meets with the requirements of Section 177 of the Act and Regulation 18(1) of the Listing Regulations.

The terms of reference of this Committee are wide and are in line with the regulatory requirements mandated by the Act and Part C of Schedule II of the Listing Regulations.

The person responsible for the Finance Function, Chief Financial Officer Mr. Manoj Kumar Mr. Sanjay K. Singhal & Co, Statutory Auditors, and the Company Secretary of the Company are the permanent invitee to the Audit Committee Meeting.

**C. NOMINATION AND REMUNERATION COMMITTEE**

As on March 31st 2019, the Nomination and Remuneration Committee comprises of Members as stated below. The composition of the Committee is in conformity with the SEBI (LODR) Regulations, 2015. During the Financial Year 2018-19, the Nomination and Remuneration Committee met **thrice** on **12th May, 2018, 14th May, 2018** and on **8th February, 2019**.

| Sl. No. | Name                   | Designation | Number of Meetings Held<br>(During the tenure of director) | Number of Meetings Attended |
|---------|------------------------|-------------|--|-----------------------------|
| 1.      | Mr. Rohit Agrawal      | Chairperson | 3  | 3                           |
| 2.      | Mr. Awanish Sriavstava | Member      | 3  | 3                           |
| 3.      | Mrs. Richa Choudhary   | Member      | *2   | *2                          |

*\* Mrs. Richa Choudhary was appointed as a Director in the Company in the Executive Committee Meeting held on 12th May, 2018 and thereafter she became member of the Nomination and Remuneration Committee as on 14th May, 2018.*

**D. STAKEHOLDER RELATIONSHIP COMMITTEE**

As on March 31st, 2019 the Stakeholder's Relationship Committee consists of the members as stated below:

During the Financial Year 2018- 19, the committee met **19 times** on **24.05.2018, 11.06.2018, 20.07.2018, 30.07.2018, 01.08.2018, 09.08.2018, 21.09.2018, 27.09.2018, 23.10.2018, 24.11.2018, 03.12.2018, 07.12.2018, 11.12.2018, 20.12.2018, 31.12.2018, 06.02.2019, 08.02.2019, 19.03.2019 and 25.03.2019**.

| Sl. No. | Name                   | Designation | Number of Meetings Held<br>(During the tenure of director) | Number of Meetings Attended |
|---------|------------------------|-------------|--|-----------------------------|
| 1.      | Mr. Awanish Srivastava | Chairperson | 19   | 18                          |
| 2.      | Mr. Rohit Agrawal      | Member      | 19   | 15                          |
| 3.      | Mr. Apoorve Bansal     | Member      | 19   | 14                          |

Company Secretary cum Compliance Officer of the Company has been the permanent invitee to the Stakeholder Relationship Committee Meetings.

As per the Year ending March 31st, 2019 there was no investor complaints received or pending on the Company and its RTA. The same has been provided in the certificate filed with the Stock Exchange at the end of each Quarter:

The Committee ensures cordial investor relations and oversees the mechanism for redressal of investors' grievances. The Committee specifically looks into redressing shareholders' / investors' complaints/ grievances pertaining to share transfers, non-receipts of annual reports, non-receipt of declared dividend and other allied complaints.

The Committee performs the following functions:

- Transfer/ transmission of shares.
- Split up/ sub-division and consolidation of shares.
- Dematerialization/ Re-materialization of shares.
- Issue of new and duplicate share certificates.
- Registration of Power of Attorneys, probate, letters of transmission or similar other documents.
- To open/ close bank account(s) of the Company for depositing share/ debenture applications, allotment and call monies, authorize operation of such account(s) and issue instructions to the Bank from time to time in this regard.

All the functions pertaining to Committee meeting has been completed within the prescribed time period as also certified by a Practising Company Secretary named Mr. Ashok Kumar Verma and duly filed with the Stock Exchanges under Regulation 40(10) on each half of the Financial Year.

#### **GENERAL BODY MEETING**

Details of General Body Meetings held in the last three Years are given below:-

| <b>Financial Year</b> | <b>Category</b>                | <b>Venue of the Meeting</b>   | <b>Date of the Meeting</b>      | <b>Time of the Meeting</b> |
|-----------------------|--------------------------------|---|---------------------------------|----------------------------|
| <b>2017 – 18</b>      | Annual General Meeting         | II <sup>nd</sup> Floor, Central Bank Building, 13-B, Netaji Subhash Marg, Daryaganj, New Delhi-110005 | 22 <sup>nd</sup> September 2018 | 12:30 P.M.                 |
| <b>2017 – 18</b>      | Extra-ordinary General Meeting | II <sup>nd</sup> Floor, Central Bank Building, 13-B, Netaji Subhash Marg, Daryaganj, New Delhi-110005 | 25 <sup>th</sup> June 2018      | 03:00 P.M.                 |
| <b>2016 – 17</b>      | Annual General Meeting         | J.P Hotel & Resorts 6B Patparganj IP Extention NH-24 Behind CNG Petrol Pump New Delhi-110092          | 24 <sup>th</sup> September 2017 | 11.30 A.M.                 |
| <b>2015 – 16</b>      | Annual General Meeting         | J.P Hotel & Resorts 6B Patparganj IP Extention NH-24 Behind CNG Petrol Pump New Delhi-110092          | 25 <sup>th</sup> September 2016 | 11.00 A.M.                 |

The following Special Resolutions passed in the General Meetings of the Company held in Last three Financial Years with the requisite consent of the members present in the meeting:

**25.09.2016 (Annual General Meeting for the FY 2015-2016)**

No Special Resolution passed in the Annual General Meeting of the members dated 25th September, 2016. Neither the Company has passed any resolution by way of Postal Ballot during the previous Financial Year nor proposed to be passed.

**24.09.2017 (Annual General Meeting for the FY 2016-2017)**

No Special Resolution passed in the Annual General Meeting of the members dated 24th September, 2017. Neither the Company has passed any resolution by way of Postal Ballot during the previous Financial Year nor proposed to be passed.

**25.06.2018 (Extra-ordinary General Meeting held in the FY 2017-2018)**

- i) Increase in the borrowing limits of the Company pursuant to Section 180(1)(c) of the Companies Act, 2013 and the applicable rules of Companies (Meeting of the Board and its Powers) Rules, 2014.
- ii) Creation of Security on the properties of the Company pursuant to Section 180(1)(a) of the Companies Act, 2013 and the applicable rules of Companies (Meeting of the Board and its Power) Rules, 2014 as per the enhanced limit under section 180(1)(c) of the Companies Act, 2013.
- iii) Increase in the investment limits of the Company pursuant to section 186 of the Companies Act, 2013 and the applicable rules of Companies (Meeting of the Board and its Powers) Rules, 2014.

**22.09.2018 (Annual General Meeting for the FY 2017-2018)**

No Special Resolution passed in the Annual General Meeting of the members dated 22nd September, 2018. Neither the Company has passed any resolution by way of Postal Ballot during the previous Financial Year nor proposed to be passed.

**COMPLIANCE WITH MANDATORY REQUIREMENTS**

The Company has complied with all applicable mandatory requirements of the Listing Regulations as on 31.03.2019. As per the provisions of Regulation 15(2) of the SEBI (Listing Obligations & Disclosure Requirements) Regulation 2015, provision of Regulation 27 is applicable to the Companies having paid up equity share capital exceeding Rs. 10 Crore and Net Worth exceeding Rs. 25 Crore, as on the last day of the previous financial year. The Company is not covered under any of the Criterion mentioned above so it is not mandatory for the Company to comply the Provisions of the Regulation 27 of the SEBI (LODR) Regulations, 2015. The quarterly unaudited financial results and annual financial results are published in leading national newspapers, i.e., Financial Express (English) and Hari Bhoomi (Hindi). It is also displayed on company's website at [www.fmecinternational.com](http://www.fmecinternational.com). Investor updates are given to NSE and BSE as and when required.

Further, with reference to **SEBI Circular- SEBI/HO/DDHS/CIR/P/2018/144 dated November 26, 2018** regarding Fund Raising by Issuance of Debt Securities by Large Corporate (LC) and Disclosure Compliance thereof by Large Corporate (LC), it is hereby informed that the Company is not a "Large Corporate" as the Company does not fall under the Criteria of being a Large Corporate as defined in Para 2.2 of the said Circular.

Accordingly, the Company is not required to submit Disclosures as required under Para 4.1 of the abovementioned SEBI Circular. A confirmation in this regard has already been filed by the Company with BSE on 24th May, 2019.

**CEO/CFO CERTIFICATION**

In terms of Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the certification by Managing Director and Chief Financial Officer has been obtained and is attached as part of this Annual Report.

The Code of Conduct is available on the website of the Company [www.fmecinternational.com](http://www.fmecinternational.com). All Board Members and Senior Management personnel affirm compliances with the Code of Conduct annually. The Managing Director of the company has given a declaration that all the Board members and senior management have affirmed compliance with the code of conduct for the current year.

**GENERAL SHAREHOLDER INFORMATION****Annual General Meeting****Date: 21st September, 2019****Time: 12:30 PM****Venue: IInd Floor, Central Bank Building, 13-B, Netaji Subhash Marg, Daryaganj, Delhi- 110002****FINANCIAL CALENDAR**

Financial year: April 1 to March 31

For the Financial Year ended March 31, 2019, results were announced on:

|                            |   |                     |
|----------------------------|---|---------------------|
| First Quarter              | : | 10th August, 2018   |
| Half Yearly                | : | 12TH November, 2018 |
| Third Quarter              | : | 04th February, 2019 |
| Fourth Quarter and Annual: | : | 22nd May, 2019      |

**BOOK CLOSURE**

The dates of Book Closure are from the 15th September, 2019 to the 21st September, 2019 inclusive of both days for the purpose of Annual General Meeting of the Company.

**DIVIDEND PAYMENT**

The Company has not paid or declared any dividend during the Financial Year ending March 31st, 2019. Hence, no amount by the Company was required to be transferred to the Investors Education and Protection Fund (IEPF).

**LISTING**

At present, the equity shares of the Company are listed at: **Bombay Stock Exchange Ltd. (BSE)**

Address: **Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400001**

ISIN: **INE108T01013**

Scrip Code: **539552**

BSE ID: **F MEC**

**REGISTRAR TO ISSUE AND SHARE TRANSFER AGENT**

Our Company had appointed Skyline Financial Services Private Limited as its RTA in 2015 for both segments, physical and electronic. As required under Regulation 7(3) of the Listing Regulations, the Company has filed a certificate issued by RTA and the Compliance Officer of the Company certifying that all activities in relation to both physical and electronic share transfer facility are maintained by RTA registered with SEBI i.e. Skyline Financial Services Private Limited as a SEBI Registered Category- 1, Registrars and Share Transfer Agent.

Details of RTA are as given below:

**Skyline Financial Services Private Limited**

**D-153A, 1st Floor, Okhla Industrial Area, Phase- I, New Delhi- 110 020**

**Tel: 011- 40450193-97 Website: www.skylinerta.com, Email: info@skylinerta.com**



**SHARE TRANSFER PROCESS**

The company's shares being in compulsory demat list are transferable through the depository system. Shares in Demat Form are processed by the Registrar & Transfer Agent - Skyline Financial Services Private Limited. Transfer of shares both by Demat and Physical mode are approved by the Stakeholder's Relationship Committee.

**MARKET PRICE DATA- High & Low during each month in the last Financial Year:-**

| Month          | High (Rs.) | Low (Rs.) |
|----------------|------------|-----------|
| April 2018     | 3.05       | 3.05      |
| May 2018       | 3.05       | 3.05      |
| June 2018      | 3.05       | 3.05      |
| July 2018      | 3.05       | 3.05      |
| August 2018    | 3.05       | 3.05      |
| September 2018 | 3.05       | 3.05      |
| October 2018   | 3.05       | 3.05      |
| November 2018  | 3.05       | 3.05      |
| December 2018  | 3.05       | 3.05      |
| January 2019   | 3.05       | 3.05      |
| February 2019  | 3.05       | 3.05      |
| March 2019     | 3.05       | 3.05      |

**DISTRIBUTION OF SHAREHOLDING**

Details of distribution of shareholding of the equity shares of the Company by size and by ownership class on March 31, 2019 along with the top 10 shareholders of the Company is given below:

**SHAREHOLDING PATTERN BY SIZE AS ON MARCH 31, 2019**

| Share or Debenture holding Nominal Value (Rs.) | Number of Shareholders | % to Total Numbers | Share or Debenture holding Amount (Rs.) | % to Total Amount |
|--|------------------------|--------------------|---|-------------------|
| Up To 5,000                                    | 160                    | 38.28              | 642000                                  | 2.07              |
| 5001 To 10,000                                 | 201                    | 48.09              | 1868750                                 | 6.03              |
| 10001 To 20,000                                | 2                      | 0.48               | 26000                                   | 0.08              |
| 20001 To 30,000                                | 3                      | 0.72               | 78000                                   | 0.25              |
| 30001 To 40,000                                | 1                      | 0.24               | 33000                                   | 0.11              |
| 40001 To 50,000                                | 0                      | 0                  | 0                                       | 0                 |
| 50001 To 1,00,000                              | 2                      | 0.47               | 112500                                  | 0.36              |
| 1,00,000 and Above                             | 49                     | 11.72              | 28246750                                | 91.10             |
| <b>Total</b>                                   | <b>418</b>             | <b>100</b>         | <b>31007000</b>                         | <b>100</b>        |

## SHAREHOLDING PATTERN BY OWNERSHIP

| Particulars  | As on March 2018     |                    |                   |                    | As on March 2019     |                    |                    |                    |
|--|----------------------|--------------------|-------------------|--------------------|----------------------|--------------------|--------------------|--------------------|
|  | No. of Share holders | % of Share holders | No. of Share held | % of Share holding | No. of Share holders | % of Share holders | No. of Shares held | % of Share holding |
| <b>Promoter &amp; Promoter Group</b>                               | 9                    | 1.75               | 1032350           | 33.29              | 9                    | 2.18               | 1032350            | 33.29              |
| <b>Public</b>  |                      |                    |                   |                    |                      |                    |                    |                    |
| Individual Shareholders holding Nominal Share Capital Up to 2 Lacs | 459                  | 89.13              | 636625            | 20.53              | 368                  | 88.03              | 278625             | 8.99               |
| Individual Shareholders holding Nominal Share Capital Above 2 Lacs | 33                   | 6.40               | 969500            | 31.27              | 29                   | 6.93               | 1093425            | 35.26              |
| Bodies Corporate   | 11                   | 2.14               | 390825            | 12.60              | 9                    | 2.15               | 624900             | 20.15              |
| Resident Indian HUF  | 3                    | 0.58               | 71400             | 2.31               | 3                    | 0.71               | 71400              | 2.31               |
| <b>Total</b>   | <b>515</b>           | <b>100</b>         | <b>3100700</b>    | <b>100</b>         | <b>418</b>           | <b>100</b>         | <b>3100700</b>     | <b>100</b>         |

## TOP TEN SHAREHOLDERS AS ON MARCH 31ST, 2019

| Name of the Shareholders                    | No. of Shares held | % of Share holding |
|---|--------------------|--------------------|
| Ranbeer Singh Rawat                         | 115700             | 3.73               |
| Shree Vishnupriya Finance & Leasing Limited | 113300             | 3.65               |
| Manoj Kumar                                 | 113100             | 3.65               |
| Puroshttam Dass                             | 106625             | 3.44               |
| Shri Varda Pacific Securities Limited       | 106400             | 3.43               |
| Sunvision Tradezone Private Limited         | 89000              | 2.87               |
| Mangal Murthy Traders LLP                   | 83100              | 2.68               |
| Shorya Mercantile Private Limited           | 82400              | 2.65               |
| Anu Colonisers Limited                      | 117200             | 3.79               |
| Rohit Agrawal                               | 61600              | 1.98               |
| Total                                       | 947125             | 30.52              |

**DEMATERIALIZATION OF SHARES AND LIQUIDITY:**

Trading in equity shares of the Company in dematerialized form became mandatory from May 31, 1999. To facilitate trading in Demat form, in India, there are two depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The Company has entered into agreement with both these depositories. Shareholders can open their accounts with any of the Depository Participant registered with these depositories.

- As on March 31, 2019, 53.72% shares of the Company were held in dematerialized form.
- The equity shares of the Company are frequently traded at Bombay Stock Exchange Ltd.

The Company is facilitating the Company with the services of Dematerialisation and also encouraging the shareholders to convert their physical shares into demat.

**OUTSTANDING GDR/ADR**

The Company has no outstanding GDR/ ADR or warrants or any convertible instruments which is likely to impact the equity of the Company.

The Company does not indulge into hedging activities so there shall be no gain or loss raises from foreign exchange fluctuation.

**PLANT LOCATION**

The Company has no manufacturing unit so there is no plant set up for the business of the Company. The Company has indulges into financial activities via its registered office located at IIInd Floor, Central Bank Building 13B, Daryaganj, New Delhi- 110002.

**ADDRESS FOR CORRESPONDENCE**

For Share Transfer/ Dematerialisation of Shares/ Payment of Dividend and any query related to shares:

Details of RTA are as given below:

**Skyline Financial Services Private Limited**

**D-153A, 1st Floor, Okhla Industrial Area, Phase- I, New Delhi- 110020**

**Tel: 011- 40450193-97 Website: [www.skylinerta.com](http://www.skylinerta.com), Email: [info@skylinerta.com](mailto:info@skylinerta.com)**

**Company Secretary cum Compliance Officer:**

Ms. Radhika Kathuria

F Mec International Financial Services Limited

IIInd Floor, Central Bank Building 3B, Daryaganj, New Delhi- 110002

Tel: 011- 43680407

**Grievance Redressal Officer:**

Mr. Apoorve Bansal

Managing Director

F Mec International Financial Services Limited

IIInd Floor, Central Bank Building 3B, Daryaganj, New Delhi- 110002

Tel: 011- 43680407

**OTHER DISCLOSURES**

1. There was no materially significant related party transaction taken place during the previous financial year that may have potential conflict with the interests of listed entity's at large.
2. The Company has not only made policy on Vigil mechanism and/or Whistle blower Policy but also following it very strictly. And every person of the Company has access to the members of Audit Committee in case of any suspicious event.
3. During the Financial Year 2018-2019, the following Major Event embarked the Company:
  - The Company borrowed money from Tata Capital Financial Services Limited to the tune of Rs. 12.89 Crores as loan against shares within the borrowing limits approved by the members of the Company as per the provisions of Section 180(1)(c) of the Companies Act, 2013 read with applicable rules of Companies (Meetings of the Board and its Powers) Rules, 2014 in the Extra-Ordinary General Meeting held on 25th June, 2018.

**CERTIFICATION BY PRACTICING COMPANY SECRETARY****F MEC INTERNATIONAL FINANCIAL SERVICES LIMITED FOR THE YEAR ENDING 31ST MARCH 2019****[Pursuant to Regulation 34(3) and Schedule V Para C Clause 10 (i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]**

We have examined the relevant registers, records and disclosures received from the Management of F mec International Financial Services Limited (hereinafter referred to as 'the Company'), bearing **CIN : L65100DL1993PLC053936** and having Registered Office at **IInd Floor, Central Bank Building 13-B, Netaji Subhash Marg, Daryaganj, Delhi - 110002** produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub-clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and according to the verifications (including Directors Identification Number (DIN) status at the portal ([www.mca.gov.in](http://www.mca.gov.in))) as considered necessary and information/Declaration furnished to us by the Company & its Officers, We hereby certify that none of the Directors on the Board of the Company for the Financial Year ending on 31st March, 2019 have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India (SEBI)/Ministry of Corporate Affairs and any such Statutory Authority.

**For A. K. VERMA & CO.****(Practicing Company Secretaries)****ASHOK KUMAR VERMA****(SENIOR PARTNER)****FCS: 3945****CP No: 2568****Date: 12.08.2019****Place: New Delhi**

**CERTIFICATION BY CHIEF FINANCIAL OFFICER AND MANAGING DIRECTOR**

22nd May, 2019

To

The Board of Directors

**F MEC INTERNATIONAL FINANCIAL SERVICES LIMITED****11nd Floor, Central Bank Building****13-B, Netaji Subhash Marg, Daryaganj****Delhi-110002**

I, **Apoorve Bansal, Managing Director** of the Company along with **Mr. Manoj Kumar, Chief Financial Officer** of the Company, do hereby solemnly affirm and certify to the Board that:

- a. We have reviewed Financial Statements and the Cash Flow Statement of the Company for the year ended 31st March 2019 and we certify the following, to the best of our knowledge and belief:
  - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. That to the best of our knowledge and belief, no transactions have been entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- c. We accept the responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to Financial Reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d. We have indicated to the Auditors and the Audit committee:
  - i. significant changes in internal control over financial reporting during the year;
  - ii. significant changes in accounting policies during the year, if there is any, and that the same have been disclosed in the notes to the financial statements; and
  - iii. Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

Sd/-

**Apoorve Bansal**  
**(Managing Director)**  
**DIN: 08052540**

Sd/-

**Manoj Kumar Thakur**  
**(Chief Financial Officer)**  
**PAN: AGOPT3174G**

**CERTIFICATION BY CHIEF FINANCIAL OFFICER AND MANAGING DIRECTOR**

Date: 12th August, 2019

To

The Board of Directors

**F MEC INTERNATIONAL FINANCIAL SERVICES LIMITED**

**IInd Floor, Central Bank Building**

**13-B, Netaji Subhash Marg, Daryaganj**

**Delhi-110002**

**Sub: Declaration of Compliance of Code of Conduct**

I, Apoorve Bansal (DIN: 08052540), Managing Director of the Company declare that all the members of the Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct for the year ended 31st March, 2019.

**For F mec International Financial Services Limited**

**Apoorve Bansal**

**(Managing Director)**

**DIN: 08052540**

**Annexure - II**

**FORM NO. MGT 9  
EXTRACT OF ANNUAL RETURN  
as on financial year ended on 31.03.2019**

**Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration ) Rules, 2014.**

**I REGISTRATION & OTHER DETAILS:**

|     |  |   |
|-----|--|---|
| i   | CIN  | L65100DL1993PLC053936   |
| ii  | Registration Date  | 07/06/1993  |
| iii | Name of the Company  | F MEC INTERNATIONAL FINANCIAL SERVICES LIMITED  |
| iv  | Category/Sub-category of the Company                                       | Company Limited By Shares   |
| v   | Address of the Registered office & contact details                         | IInd Floor, Central Bank Building 13-B, Netaji Subhash Marg, Daryaganj Delhi-110002   |
| vi  | Whether listed company   | Yes   |
| vii | Name, Address & contact details of the Registrar & Transfer Agent, if any. | SKY LINE FINANCIAL SERVICES PRIVATE LIMITED<br>Shop No.D-153/A, I-Area, Okhla Phase I, Okhla Industrial Area, New Delhi, Delhi 110020 |

**II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10% or more of the total turnover of the company shall be stated

| SL No | Name & Description of main products/services | NIC Code of the Product /service | % to total turnover of the company |
|-------|--|----------------------------------|------------------------------------|
| 1     | NBFC ACTIVITY                                | 6492                             | 100%                               |

**III PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES**

| Sl No | Name & Address of the Company  | CIN/GLN               | HOLDING/<br>SUBSIDIARY/<br>ASSOCIATE | % OF<br>SHARES HELD | APPLICABLE<br>SECTION |
|-------|--------------------------------|-----------------------|--------------------------------------|---------------------|-----------------------|
| 1     | YDS SECURITIES PRIVATE LIMITED | U67120DL1995PTC153164 | SUBSIDIARY                           | 75.67               | 2(87)                 |

IV SHAREHOLDING PATTERN (Equity Share capital Break up as % to total Equity)

| Category of Shareholders  | No. of Shares held at the beginning of the year |                |                |                   | No. of Shares held at the end of the year |                |                |                   | % change during the year |
|---|---|----------------|----------------|-------------------|---|----------------|----------------|-------------------|--------------------------|
|   | Demat   | Physical       | Total          | % of Total Shares | Demat                                     | Physical       | Total          | % of Total Shares |                          |
| <b>A. Promoters</b>   |   |                |                |                   |   |                |                |                   |                          |
| <b>(1) Indian</b>   |   |                |                |                   |   |                |                |                   |                          |
| a) Individual/HUF   | 500   | 1031850        | 1032350        | 33.29             | 957350                                    | 75000          | 1032350        | 33.29             | 0                        |
| b) Central Govt.or State Govt.  |   | 0              | 0              | 0                 | 0   | 0              | 0              | 0                 | 0                        |
| c) Bodies Corporates  | 0   | 0              | 0              | 0                 | 0   | 0              | 0              | 0                 | 0                        |
| d) Bank/FI  | 0   | 0              | 0              | 0                 | 0   | 0              | 0              | 0                 | 0                        |
| e) Any other  | 0   | 0              | 0              | 0                 | 0   | 0              | 0              | 0                 | 0                        |
| <b>SUB TOTAL(A) (1)</b>   | <b>500</b>                                      | <b>1031850</b> | <b>1032350</b> | <b>33.29</b>      | <b>957350</b>                             | <b>75000</b>   | <b>1032350</b> | <b>33.29</b>      | <b>0</b>                 |
| <b>(2) Foreign</b>  |   |                |                |                   |   |                |                |                   |                          |
| a) NRI- Individuals   | 0   | 0              | 0              | 0                 | 0   | 0              | 0              | 0                 | 0                        |
| b) Other Individuals  | 0   | 0              | 0              | 0                 | 0   | 0              | 0              | 0                 | 0                        |
| c) Bodies Corp.   | 0   | 0              | 0              | 0                 | 0   | 0              | 0              | 0                 | 0                        |
| d) Banks/FI   | 0   | 0              | 0              | 0                 | 0   | 0              | 0              | 0                 | 0                        |
| e) Any other...   | 0   | 0              | 0              | 0                 | 0   | 0              | 0              | 0                 | 0                        |
| <b>SUB TOTAL (A) (2)</b>  | <b>0</b>  | <b>0</b>       | <b>0</b>       | <b>0</b>          | <b>0</b>                                  | <b>0</b>       | <b>0</b>       | <b>0</b>          | <b>0</b>                 |
| <b>Total Shareholding of Promoter (A)= (A)(1)+(A)(2)</b>                            | <b>500</b>                                      | <b>1031850</b> | <b>1032350</b> | <b>33.29</b>      | <b>957350</b>                             | <b>75000</b>   | <b>1032350</b> | <b>33.29</b>      | <b>0</b>                 |
| <b>B. PUBLIC SHAREHOLDING</b>   |   |                |                |                   |   |                |                |                   |                          |
| <b>(1) Institutions</b>   |   |                |                |                   |   |                |                |                   |                          |
| a) Mutual Funds   | 0   | 0              | 0              | 0                 | 0   | 0              | 0              | 0                 | 0                        |
| b) Banks/FI   | 0   | 0              | 0              | 0                 | 0   | 0              | 0              | 0                 | 0                        |
| c) Central govt   | 0   | 0              | 0              | 0                 | 0   | 0              | 0              | 0                 | 0                        |
| d) State Govt.  | 0   | 0              | 0              | 0                 | 0   | 0              | 0              | 0                 | 0                        |
| e) Venture Capital Fund   | 0   | 0              | 0              | 0                 | 0   | 0              | 0              | 0                 | 0                        |
| f) Insurance Companies  | 0   | 0              | 0              | 0                 | 0   | 0              | 0              | 0                 | 0                        |
| g) FIS  | 0   | 0              | 0              | 0                 | 0   | 0              | 0              | 0                 | 0                        |
| h) Foreign Venture Capital Funds  | 0   | 0              | 0              | 0                 | 0   | 0              | 0              | 0                 | 0                        |
| i) Others (specify)   | 0   | 0              | 0              | 0                 | 0   | 0              | 0              | 0                 | 0                        |
| <b>SUB TOTAL (B)(1):</b>  | <b>0</b>  | <b>0</b>       | <b>0</b>       | <b>0</b>          | <b>0</b>                                  | <b>0</b>       | <b>0</b>       | <b>0</b>          | <b>0</b>                 |
| <b>(2) Non Institutions</b>   |   |                |                |                   |   |                |                |                   |                          |
| a) Bodies corporates  |   |                |                |                   |   |                |                |                   |                          |
| i) Indian   | 139300  | 251525         | 390825         | 12.60             | 550200                                    | 74700          | 624900         | 20.15             | 7.55                     |
| ii) Overseas  | 0   | 0              | 0              | 0                 | 0   | 0              | 0              | 0                 | 0                        |
| b) Individuals  |   |                |                |                   |   |                |                |                   |                          |
| i) Individual shareholders holding nominal share capital upto Rs.1 lakhs            | 900   | 504425         | 505325         | 16.30             | 500                                       | 267025         | 267525         | 8.63              | -7.67                    |
| ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 lakhs | 500   | 1100300        | 1100800        | 35.50             | 157725                                    | 946800         | 1104525        | 35.62             | 0.12                     |
| c) Others (HUF)   | 0   | 71400          | 71400          | 2.30              | 0   | 71400          | 71400          | 2.30              | 0                        |
| <b>SUB TOTAL (B)(2):</b>  | <b>140700</b>                                   | <b>1927650</b> | <b>2068350</b> | <b>66.71</b>      | <b>708425</b>                             | <b>1359925</b> | <b>2068350</b> | <b>66.71</b>      | <b>0</b>                 |
| <b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>                                 | <b>141200</b>                                   | <b>2959500</b> | <b>3100700</b> | <b>100.00</b>     | <b>1665775</b>                            | <b>1434925</b> | <b>3100700</b> | <b>100.00</b>     | <b>0</b>                 |
| <b>C. Shares held by Custodian for GDRs &amp; ADRs</b>                              | <b>0</b>  | <b>0</b>       | <b>0</b>       | <b>0</b>          | <b>0</b>                                  | <b>0</b>       | <b>0</b>       | <b>0</b>          | <b>0</b>                 |
| <b>Grand Total (A+B+C)</b>  | <b>141200</b>                                   | <b>2959500</b> | <b>3100700</b> | <b>100.00</b>     | <b>1665775</b>                            | <b>1434925</b> | <b>3100700</b> | <b>100</b>        | <b>0</b>                 |



(ii) SHARE HOLDING OF PROMOTERS

(ii) SHARE HOLDING OF PROMOTERS

| Sl No. | Shareholders Name         | Shareholding at the beginning of the year |                                  |   | Shareholding at the end of the year |                                  |   | % change in share holding during the year |
|--------|---------------------------|---|----------------------------------|---|-------------------------------------|----------------------------------|---|---|
|        |                           | NO of shares                              | % of total shares of the company | % of shares pledged/ encumbered to total shares | NO of shares                        | % of total shares of the company | % of shares pledged/ encumbered to total shares |   |
| 1      | Manoj Kumar Jain          | 326050                                    | 10.52                            | NA  | 326050                              | 10.52                            | NA  | NIL                                       |
| 2      | Pankaj Kumar              | 235625                                    | 7.60                             | NA  | 235625                              | 7.60                             | NA  | NIL                                       |
| 3      | Mahima Jain               | 81375                                     | 2.62                             | NA  | 81375                               | 2.62                             | NA  | NIL                                       |
| 4      | Apoorve Bansal            | 77800                                     | 2.51                             | NA  | 77800                               | 2.51                             | NA  | NIL                                       |
| 5      | Niraj Jain                | 76100                                     | 2.45                             | NA  | 76100                               | 2.45                             | NA  | NIL                                       |
| 6      | Megha Bansal              | 75100                                     | 2.42                             | NA  | 75100                               | 2.42                             | NA  | NIL                                       |
| 7      | Pankaj Kumar Bansal (HUF) | 59000                                     | 1.90                             | NA  | 59000                               | 1.90                             | NA  | NIL                                       |
| 8      | Lalita Bansal             | 51300                                     | 1.65                             | NA  | 51300                               | 1.65                             | NA  | NIL                                       |
| 9      | Manoj Kumar Jain (HUF)    | 50000                                     | 1.61                             | NA  | 50000                               | 1.61                             | NA  | NIL                                       |

(iii) CHANGE IN PROMOTERS' SHAREHOLDING

There are no changes in Promoter's Shareholding during the Financial Year 2018-2019

IV. Shareholding Pattern of top ten Shareholders (other than Directors, Promoters & Holders of GDRs & ADRs)

| S.No. | Name of the Shareholder                     | At the beginning of the year (i.e. 01.04.2018) |                                  | At the end of the year (i.e. 31.03.2019) |                                  | Cumulative Shareholding during the year |                                  | Increase / Decrease in Share holding during the year | Reasons (for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc) |
|-------|---|--|----------------------------------|--|----------------------------------|---|----------------------------------|--|---|
|       |   | No. of Shares                                  | % of total Shares of the company | No. of Shares                            | % of total Shares of the company | No. of shares                           | % of total Shares of the company |  |   |
| 1     | Ranbeer Singh Rawat                         | 100  | 0.00                             | 115700                                   | 3.73                             | 115700                                  | 3.73                             | 3.73 (Increase)                                      | Transfer  |
| 2     | Shree Vishnurpiya Finance & Leasing Limited | 0  | 0.00                             | 113300                                   | 3.65                             | 113300                                  | 3.65                             | 3.65 (Increase)                                      | Transfer  |
| 3     | Manoj Kumar                                 | 2700   | 0.09                             | 113100                                   | 3.65                             | 113100                                  | 3.65                             | 3.56 (Increase)                                      | Transfer  |
| 4     | Purshottam Das                              | 25100  | 0.81                             | 106625                                   | 3.44                             | 106625                                  | 3.44                             | 2.63 (Increase)                                      | Transfer  |
| 5     | Shri Varda Pacific Securities Limited       | 0  | 0.00                             | 106400                                   | 3.43                             | 106400                                  | 3.43                             | 3.43 (Increase)                                      | Transfer  |
| 6     | Sunvision Tradezone Private Limited         | 0  | 0.00                             | 89000                                    | 2.87                             | 89000                                   | 2.87                             | 2.87 (Increase)                                      | Transfer  |
| 7     | Mangal Murthy Traders LLP                   | 0  | 0.00                             | 83100                                    | 2.68                             | 83100                                   | 2.68                             | 2.68 (Increase)                                      | Transfer  |
| 8     | Shorya Mercantile Private Limited           | 0  | 0.00                             | 82400                                    | 2.66                             | 82400                                   | 2.66                             | 2.66 (Increase)                                      | Transfer  |
| 9     | Anu Colonisers Limited                      | 25000  | 0.81                             | 117200                                   | 3.79                             | 117200                                  | 3.79                             | 2.98 (Increase)                                      | Transfer  |
| 10    | Rohit Agrawal                               | 100  | 0.01                             | 61600                                    | 1.98                             | 61600                                   | 1.98                             | 2.97 (Increase)                                      | Transfer  |

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

| S.No. | Name of the Directors / KMP<br>(Designation) | At the beginning of the year (i.e. 01.04.2018) |                                       | At the end of the year (i.e 31.03.2019) |                                  | Cumulative Shareholding during the year |                                  | Increase / Decrease during the year |
|-------|--|--|---------------------------------------|---|----------------------------------|---|----------------------------------|-------------------------------------|
|       |  | No. of Shares                                  | % of % of total Shares of the company | No. of Shares                           | % of total Shares of the company | No. of shares                           | % of total Shares of the company |                                     |
| 1     | Apoorve Bansal<br>(Managing Director)        | 77800  | 2.51                                  | 77800                                   | 2.51                             | 77800                                   | 2.51                             | NIL                                 |
| 2     | *Vishal Babbar<br>(Executive Director)       | NIL  | NIL                                   | NIL                                     | NIL                              | NIL                                     | NIL                              | NIL                                 |
| 3     | Awanish Srivastava<br>(Independent Director) | 100  | 0.01                                  | 100                                     | 0.01                             | 100                                     | 0.01                             | NIL                                 |
| 4     | Richa Choudhary<br>(Independent Director)    | NIL  | NIL                                   | NIL                                     | NIL                              | NIL                                     | NIL                              | NIL                                 |
| 5     | Rohit Agrawal<br>(Independent Director)      | 100  | 0.01                                  | 61,600                                  | 1.980                            | 61600                                   | 1.98                             | 2.97<br>(Increase)                  |
| 6     | Manoj Kumar<br>(Chief Financial Officer)     | 2700   | 0.09                                  | 113100                                  | 3.65                             | 113100                                  | 3.65                             | 3.56<br>(Increase)                  |
| 7     | Radhika Kathuria<br>(Company Secretary)      | NIL  | NIL                                   | NIL                                     | NIL                              | NIL                                     | NIL                              | NIL                                 |

\*Mr. Vishal Babbar (DIN : 07772465) resigned from his office w.e.f. 08.02.2019 and therefore ceased to be a Director of the Company w.e.f. from the said date.

**V INDEBTEDNESS**

(Rs.)

| Indebtedness of the Company including interest outstanding/accrued but not due for payment |                                  |                 |          |                    |
|--|----------------------------------|-----------------|----------|--------------------|
|  | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
| <b>Indebtness at the beginning of the financial year</b>                                   |                                  |                 |          |                    |
| i) Principal Amount  | 0                                | 0               | 0        | 0                  |
| ii) Interest due but not paid  | 0                                | 0               | 0        | 0                  |
| iii) Interest accrued but not due  | 0                                | 0               | 0        | 0                  |
| <b>Total (i+ii+iii)</b>  |                                  |                 |          |                    |
| <b>Change in Indebtedness during the financial year</b>                                    |                                  |                 |          |                    |
| Additions  | 128940767                        | 2648870         | 0        | 131589637          |
| Reduction  | 0                                | 0               | 0        | 0                  |
| <b>Net Change</b>  | 0                                | 0               | 0        | 0                  |
| <b>Indebtedness at the end of the financial year</b>                                       |                                  |                 |          |                    |
| i) Principal Amount  | 128940767                        | 2648870         | 0        | 131589637          |
| ii) Interest due but not paid  | 0                                | 165411          | 0        | 165411             |
| iii) Interest accrued but not due  | 0                                | 0               | 0        | 0                  |
| <b>Total (i+ii+iii)</b>  | 128940767                        | 2814281         | 0        | 131755048          |

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

| Sl.No | Particulars of Remuneration  | Name of the MD/WTD/Manager |     |     |     | Total Amount |     |
|-------|--|----------------------------|-----|-----|-----|--------------|-----|
| 1     | <b>Gross salary</b>  |                            |     |     |     |              |     |
|       | (a) Salary as per provisions contained in section 17(1) of the Income Tax, 1961. | NIL                        | NIL | NIL | NIL | NIL          | NIL |
|       | (b) Value of perquisites u/s 17(2) of the Income tax Act, 1961                   | NIL                        | NIL | NIL | NIL | NIL          | NIL |
|       | (c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961    | NIL                        | NIL | NIL | NIL | NIL          | NIL |
| 2     | Stock option   | NIL                        | NIL | NIL | NIL | NIL          | NIL |
| 3     | Sweat Equity   | NIL                        | NIL | NIL | NIL | NIL          | NIL |
| 4     | Commission   | NIL                        | NIL | NIL | NIL | NIL          | NIL |
|       | as % of profit   | NIL                        | NIL | NIL | NIL | NIL          | NIL |
|       | others (specify)   | NIL                        | NIL | NIL | NIL | NIL          | NIL |
| 5     | Others, please specify   | NIL                        | NIL | NIL | NIL | NIL          | NIL |
|       | <b>Total (A)</b>   | NIL                        | NIL | NIL | NIL | NIL          | NIL |
|       | <b>Ceiling as per the Act</b>  | N.A                        | N.A | N.A | N.A | N.A          | N.A |

B. Remuneration to other directors:

| Sl.No | Particulars of Remuneration                    | Name of the Directors |     |     | Total Amount |     |
|-------|--|-----------------------|-----|-----|--------------|-----|
| 1     | Independent Directors                          |                       |     |     |              |     |
|       | (a) Fee for attending board committee meetings | NIL                   | NIL | NIL | NIL          | NIL |
|       | (b) Commission                                 | NIL                   | NIL | NIL | NIL          | NIL |
|       | (c) Others, please specify                     | NIL                   | NIL | NIL | NIL          | NIL |
|       | <b>Total (1)</b>                               | NIL                   | NIL | NIL | NIL          | NIL |
| 2     | Other Non Executive Directors                  |                       |     |     |              |     |
|       | (a) Fee for attending                          | NIL                   | NIL | NIL | NIL          | NIL |
|       | (b) Commission                                 | NIL                   | NIL | NIL | NIL          | NIL |
|       | (c) Others, please specify.                    | NIL                   | NIL | NIL | NIL          | NIL |
|       | <b>Total (2)</b>                               | NIL                   | NIL | NIL | NIL          | NIL |
|       | <b>Total (B)=(1+2)</b>                         | NIL                   | NIL | NIL | NIL          | NIL |
|       | <b>Total Managerial Remuneration</b>           | NIL                   | NIL | NIL | NIL          | NIL |
|       | <b>Overall Ceiling as per the Act.</b>         | N.A                   | N.A | N.A | N.A          | N.A |

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

(Rs.)

| Sl. No. | Particulars of Remuneration  | Key Managerial Personnel |                   |            |            |
|---------|--|--------------------------|-------------------|------------|------------|
|         |  | CEO                      | Company Secretary | CFO        | Total      |
| 1       | <b>Gross Salary</b>  |                          |                   |            |            |
|         | (a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961. | NIL                      | 3,00,000/-        | 4,43,300/- | 7,43,300/- |
|         | (b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961                       | NIL                      | NIL               | NIL        | NIL        |
|         | (c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961        | NIL                      | NIL               | NIL        | NIL        |
| 2       | Stock Option   | NIL                      | NIL               | NIL        | NIL        |
| 3       | Sweat Equity   | NIL                      | NIL               | NIL        | NIL        |
| 4       | Commission   | NIL                      | NIL               | NIL        | NIL        |
|         | as % of profit   | NIL                      | NIL               | NIL        | NIL        |
|         | others, specify  | NIL                      | NIL               | NIL        | NIL        |
| 5       | Others, please specify   | NIL                      | NIL               | NIL        | NIL        |
|         | <b>Total</b>   | NIL                      | 3,00,000/-        | 4,43,300/- | 7,43,300/- |

VII PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

| Type                                | Section of the Companies Act | Brief Description | Details of Penalty/Punishment/Compounding fees imposed | Authority (RD/NCLT /Court) | Appeal made if any (give details) |
|-------------------------------------|------------------------------|-------------------|--|----------------------------|-----------------------------------|
| <b>A. COMPANY</b>                   |                              |                   |  |                            |                                   |
| Penalty                             |                              |                   |  |                            |                                   |
| Punishment                          |                              |                   |  |                            |                                   |
| Compounding                         |                              |                   |  |                            |                                   |
| <b>B. DIRECTORS</b>                 |                              |                   |  |                            |                                   |
| Penalty                             |                              |                   |  |                            |                                   |
| Punishment                          |                              |                   |  |                            |                                   |
| Compounding                         |                              |                   |  |                            |                                   |
| <b>C. OTHER OFFICERS IN DEFAULT</b> |                              |                   |  |                            |                                   |
| Penalty                             |                              |                   |  |                            |                                   |
| Punishment                          |                              |                   |  |                            |                                   |
| Compounding                         |                              |                   |  |                            |                                   |

NIL

## Annexure- III

### THE MANAGEMENT DISCUSSION AND ANALYSIS REPORT (“MDAR”)

#### 1. INDUSTRY STRUCTURE AND DEVELOPMENT

##### Indian Economy

The Indian economy retained its tag of the fastest growing major economy in the world in 2018-19. A few factors that have helped India in maintaining its status quo as the fastest growing nation are:

- **Policy reforms:** Reforms such as increased FDI limits, Goods and Services Tax (GST), etc led to creation of jobs and bringing more businesses into the organized sector. It also improved the ease of doing business, thus benefitting the economy in a major way.
- **Improvement in infrastructure:** Recognized as a key driver for the economy of any nation, the infrastructure sector has enjoyed a lot of focus from the government. Measures such as construction of smart cities, industrial corridors, new railway lines, improving sea connectivity to stimulate trade and building roads to improve rural connectivity have all contributed to the nation's economic growth.
- **Development Campaigns:** The government has been campaigning actively for showcasing the nation as a sensible investment destination and improve trade cooperation. Government campaigns such as ‘Make in India’ and ‘Start-up India’ have been helping India to position itself as a manufacturing hub and promoting entrepreneurship.

##### Indian Financial Services Industry

India has a diversified financial sector undergoing rapid expansion with many new entities entering the market along with the existing financial services firms. The sector comprises commercial banks, insurance companies, NBFCs, Housing Finance Companies, Co-operatives, Pension Funds, Mutual Funds and other smaller financial entities. Another vital element of the nation's financial sector is the rapidly growing insurance industry. The Reserve Bank of India (RBI) recently allowed new entities such as payment banks and small finance banks to commence operations, focusing on specific segments of transactional banking and small-ticket lending, respectively.

#### 2. OPPORTUNITIES AND THREATS

The NBFC sector is expected to remain at the forefront and drive new credit disbursements for India's underserved retail and MSME space. In the last five years the lending book of NBFCs has grown nearly by 18% due to a deep understanding of target consumer segments, technological advancements, lean cost structures and differential business model to reach credit-starved customer segments.

The year 2018 was a year of crisis for some of the NBFCs. To occupy the space vacated by Public Sector Banks (PSBs), certain NBFCs went into a frenzy of credit expansions without considering the asset-liability scenario. This resulted in huge defaults on the part of such companies and intensified fears that the funding cost for NBFCs will zoom and result in a sharp deterioration of their margins.

However, the government took several quick measures not letting this crisis turn into a contagion and spilling over to other sectors. These measures included altering operating mechanism and making relevant changes in the risk management framework. Though the outlook for NBFCs for 2019 seems weak, a gradual improvement in the liquidity situation indicates that there could be a stabilisation in the coming days.

#### 3. FINANCIAL & BUSINESS REVIEW

**F MEC INTERNATIONAL FINANCIAL SERVICES LIMITED** is currently engaged in NBFC activities & Financial Management and Advisory Services. The Company intends to continue its focus on NBFC activities and provide financing facilities in the form of advance, deposit or lend money either as secured or unsecured loans through the use of web-based technology or through other modes.

The main revenue of the Company is earned from the Interest Income and Commission Income. Despite operating in a challenging macro environment and with new Management in the Company comprising of young blood, FY 2018-19 was a satisfying year for the Company. The Total Revenue of the Company has taken a considerable hike by INR 73.70 Lakhs as compared to previous year. In commensuration of

the said increase, the Company has been successful in disbursing loans by reaching to wider number of persons resulting in an increase in Loan Books of the Company by INR 1307.76 Lakhs.

The Management of the Company is very hopeful to bring higher operating efficiencies within the Company based on the understanding and strength of superior Knowledge of local market and efficient and Conservative approach.

#### **4. FUTURE OUTLOOK**

The Indian economy is expected to grow at 7.4% in 2019-20 on account of steady improvement in major sectors as government and private consumption remains robust and investment is steadily picking up. One of the main factors - domestic consumption, which drives 60% of the GDP growth is expected to grow up to USD 6 trillion by 2030, supported by a 1.4 billion population. In the longer term, however, India's growth is expected to reflect the benefits of its structural reforms and its growing workforce. But to unlock India's massive economic potential, the nation will need to accelerate and sustain its continuing upward trajectory on key human development indicators and aim for a more inclusive growth.

**In the upcoming years** the Company tends to focus on "Reinforcing growth to technology" by digitizing it's internal processes and service offerings. The Company envisions to create digital platform for providing value added services to our customers and at the same time ensuring more transparency in loan disbursement processes.

#### **5. KEY PERFORMANCE DRIVERS AND CAPABILITIES**

The Company's long term aspiration is to play a significant role in meeting the financial requirements of retail customers as well as corporate clients. To carry out its long term goal and achieve its financial activities, the Company has formed some strategies.

#### **6. ADEQUACY OF INTERNAL CONTROL**

The Company has a proper and adequate system of internal control in all spheres of its activities to ensure that all its assets are safeguarded and protected against loss from unauthorized use or disposition and that the transactions are authorized, recorded and reported diligently.

The Company ensures adherence to all internal control policies and procedures as well as compliance with all regulatory guidelines.

#### **7. RISKS & CONCERNS**

Being a Financial company, it is exposed to specific risks that are particular to its business and the environment within which it operates, including interest rate volatility, economic cycle, credit risk and market risk. The most important among them are credit risk, market risk and operational risk. The measurement, monitoring management of risk remains key focus areas for the Company.

The Company has a Board approved Risk Management framework. The framework comprises of implementation of Risk Management Policy to assist the Board in Overseeing and approving the Company's enterprise wide risk management framework and overseeing all the risks that the organization faces, identifying the element of risk which, in the opinion of the Board may threaten the existence of the company and safeguarding the company against those risks.

#### **8. HR & INFRASTRUCTURE DEVELOPMENT**

The Company has a team of able and experienced industry professionals and employees.

#### **9. RESPONSIBILITY FOR THE MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

The Board of Directors have reviewed the Management Discussion and Analysis prepared by the Management, and the Independent Auditors have noted its contents. Statement in this report of the Company's objective, projections, estimates, exceptions, and predictions are forward looking statements subject to the applicable laws and regulations. The statements may be subjected to certain risks and uncertainties. Company's operations are affected by many external and internal factors which are beyond the control of the management. Thus the actual situation may differ from those expressed or implied. The Company assumes no responsibility in respect of forward looking statements that may be amended or modified in future on the basis of subsequent developments, information or events.

**Annexure- IV****PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS AS REQUIRED UNDER SECTION 186 OF THE COMPANIES ACT, 2013**

| Sl.No.    | Particulars  | 31/03/2019   | 31/03/2018  |
|-----------|--|--------------|-------------|
| <b>1.</b> | <b>Loans And Advances</b>                                      |              |             |
|           | Advance for Shares   | 15,00,000    | 15,00,000   |
|           | 4A Financial Securities Limited                                | 10,13,42,748 | -           |
|           | ACE Integrated Solutions Limited                               | 10,58,142    | -           |
|           | Aman Drugs Pvt Ltd   | 11,08,000    | 10,54,094   |
|           | Arun Bhatt   | 14,68,630    | 13,18,630   |
|           | AS Buildpro Pvt. Ltd.  | 18,02,044    | 17,30,044   |
|           | Avtar Instalments Pvt Ltd                                      | 2,56,45,223  | -           |
|           | Bhagyashree Industries   | 11,67,202    | 10,59,202   |
|           | Invision Entertainment Pvt Ltd                                 | 5,93,695     | 5,39,695    |
|           | IT Serve Global  | 16,87,147    | 16,46,647   |
|           | Karo Coils Pvt. Ltd.   | 6,61,340     | 33,86,100   |
|           | Meenakshi Bhatt  | 8,85,000     | 7,95,000    |
|           | Pahwa Buildtech Private Limited                                | 5,29,460     | -           |
|           | Paras Green  | 28,44,500    | 25,74,500   |
|           | Rheathe Trust  | 10,12,356    | -           |
|           | Senorita Enterprises Pvt Ltd                                   | 23,65,291    | 21,89,626   |
|           | Shree Shitla Portfolio Pvt Ltd                                 | 16,57,600    | 16,00,000   |
|           | Shri Varda Pacific Securities Limited                          | 27,81,593    | -           |
|           | Suresh Pal Singh   | 35,00,000    | 35,00,000   |
|           | Sweta Singh  | 5,60,000     | 5,00,000    |
|           | Total  | 15,41,69,971 | 2,33,93,538 |
| <b>2.</b> | <b>Non Current Investments</b>                                 |              |             |
|           | <b>Unquoted</b>  |              |             |
|           | YDS Securities Pvt. Ltd. 826530<br>Equity Shares @ Rs. 10 each | 8,265,300    | 8,265,300   |

**Annexure- V****FORM NO. AOC.1****Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures**

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in Rs )

| S.No. | Particulars  | Details  |
|-------|--|--|
| 1.    | <b>SL. No.</b>   | 1  |
| 2.    | <b>Name of the subsidiary</b>  | <b>YDS SECURITIES PRIVATE LIMITED</b>                      |
| 3.    | <b>The date since when subsidiary was acquired</b>   | 18.04.1995   |
| 4.    | <b>Reporting period for the subsidiary concerned, if different from the holding company's reporting period</b>                     | 01 <sup>st</sup> April 2018 to 31 <sup>st</sup> March 2019 |
| 5.    | <b>Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries</b> | Not Applicable   |
| 6.    | <b>Share capital</b>   | 1,09,23,500  |
| 7.    | <b>Reserves and surplus</b>  | (1,619,674)  |
| 8.    | <b>Total assets</b>  | 94,09,915  |
| 9.    | <b>Total Liabilities</b>   | 94,09,915  |
| 10.   | <b>Investments (Non Current)</b>   | 50,52,500  |
| 11.   | <b>Turnover</b>  | Nil  |
| 12.   | <b>Profit before taxation</b>  | (25,118)   |
| 13.   | <b>Provision for taxation</b>  | Nil  |
| 14.   | <b>Profit after taxation</b>   | (25,118)   |
| 15.   | <b>Proposed Dividend</b>   | Nil  |
| 16.   | <b>Extent of shareholding (in percentage)</b>  | 75.67%   |

**Notes:** The following information shall be furnished at the end of the statement:

- Names of subsidiaries which are yet to commence operations: NA
- Names of subsidiaries which have been liquidated or sold during the year: NA
- "Part-B" of Form AOC-1 i.e. Statement containing Salient Features of Associates and Joint Ventures is not applicable to the Company as the Company does not have any Associate / Joint Venture.



**Annexure- VI**

Form No. MR-3

**SECRETARIAL AUDIT REPORT**

For the Period 01st April, 2018 to 31st March, 2019

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

To

The Members

**F MEC INTERNATIONAL FINANCIAL SERVICES LIMITED**

IInd Floor, Central Bank Building

13-B, Netaji Subhash Marg, Daryaganj

New Delhi- 110002

We have conducted the Secretarial Audit of the compliance of applicable Statutory Provisions and the adherence to good corporate practices by **F MEC INTERNATIONAL FINANCIAL SERVICES LIMITED** (hereinafter called as the ("**Company**"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the **Company's** books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, We hereby report that in our opinion, company has, during the audit period covering the Financial Year ended on **31st March, 2019** complied with the statutory provisions listed hereunder and that the company has proper Board processes and compliance- mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

- I. The Company is a "Loan Company" engaged in the business of Non -Banking Financial Institution as defined in Section 45 I (a) of the Reserve Bank of India Act, 1934 and carrying a Certificate of Registration issued by Reserve Bank of India, New Delhi bearing certificate number - **B-14.01129**.
- II. We have examined the books, papers, minute books, forms and returns filed and other records maintained by **F MEC INTERNATIONAL FINANCIAL SERVICES LIMITED ("the Company")** for the financial year ended on **31st March, 2019** according to the provisions of:
  - (i) The Companies Act, 2013 (the Act) and the rules made there under as duly amended till date;
  - (ii) Secretarial Standards issued by Institute of Company Secretaries of India, 1880
  - (iii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under; (Not applicable for the given audit period)
  - (iv) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
  - (v) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings and RBI Act, 1934;
  - (vi) Master Direction – Non- Banking Financial Company Returns (Reserve Bank) Directions, 2016.
  - (vii) Prudential Norms Issued by the Reserve Banks for NBFC Companies.

- (x) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') viz.:-
- a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 as amended from time to time;
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 as amended from time to time;
  - c) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**applicable w.e.f.1st December, 2015**) as amended from time to time
  - d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ; (**Not applicable to the Company during the audit period**)
  - e) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the Securities and Exchange Board of India (Share Based Employee Benefits) Regulation 2014 (**Not applicable to the Company during the audit period**);
  - f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 as amended from time to time. (**Not applicable to the Company during the audit period**);
  - g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (**Not applicable to the Company during the audit period**); and
  - i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (**Not applicable to the Company during the audit period**);

We further report that, having regard to the compliance system and mechanism prevailing in the Company and representation made by its officers for the same and our examination of relevant documents /records in pursuant thereof on our test check basis, the Company has adequate system for the compliances of the following applicable laws :

1. The RBI Act 1934 and amendment came into force from time to time;
2. Prudential Norms Issued by the Reserve Banks for NBFC- ND Companies.
3. Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013
4. Right To Information Act, 2005
5. Indian Contract Act, 1872
6. Negotiable Instruments Act, 1881
7. Indian Stamp Act, 1899
8. Information Technology Act, 2000

We report that:

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

We further report that

The Composition of Board of Directors of the Company is duly constituted with comprising of Executive, Non-Executive, Woman Director, and Independent Directors as per the provisions of Companies Act, 2013 and SEBI Regulations. The changes in the composition of the

Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act and SEBI Regulations.

Adequate notices were given to all the Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

As per the minutes of the meetings duly recorded and signed by the chairman and the decision of the board were unanimous and no dissenting views have been recorded.

We further report that the compliance by the company of applicable financial laws like Direct and Indirect Tax Laws and maintenance of financial records, books of accounts and internal financial control has not been reviewed in this audit since the same have been subject to review by statutory financial audit and other designated professionals.

We further report that pursuant to compliance of section 134(3)(p) and other applicable provisions of the Companies Act, 2013 read with applicable rules as amended from time to time, a formal annual performance evaluation of all the Directors of the Company including the Independent Directors, its Committees and Board as a whole was carried out after approval of the policy for the evaluation of the performance by the Board during the financial year under the audit.

We further report that the Company was not required to submit Annual Secretarial Compliance Report to the Stock Exchange as mandated under **Regulation 24 A of SEBI (Listing Obligations and Disclosure Requirement) (Amendment) Regulations, 2018** as the Company falls under the criteria specified under Regulation 15 (2) of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 due to the fact that the paid-up Equity Share Capital and Net Worth of the Company was below Rs. 10 Crores and Rs. 25 Crores, respectively as on the close of the previous Financial Year i.e. 31st March, 2019. The said exemption available to the Companies falling under this criteria was clarified by Bombay Stock Exchange (BSE) vide its **Circular Nos. LIST/COMP/10/2019-20 and LIST/COMP/12/2019-20 dated 9th May, 2019 and 14th May, 2019**, respectively.

We further report that during the period under review, the following specific event occurred that had a major impact on the Company's affairs:

The Company borrowed money from Tata Capital Financial Services Limited to the tune of Rs. 12,89,40,767/- (Rupees Twelve Crores Eighty Nine Lakhs Forty Thousand Seven Hundred Sixty Seven) as loan against shares within the borrowing limits approved by the members of the Company as per the provisions of Section 180(1)(c) of the Companies Act, 2013 read with applicable rules of Companies (Meetings of the Board and its Powers) Rules, 2014 in the Extra-Ordinary General Meeting held on 25th June, 2018.

We further report that

There are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines:

As informed, the Company has responded appropriately to all notices received from various statutory/regulatory authorities including initiating actions for corrective measures, wherever found necessary.

**For A. K. VERMA & CO**  
**(Practicing Company Secretaries)**

**ASHOK KUMAR VERMA**  
**Senior Partner**  
**FCS : 3945**  
**CP NO: 2568**

**Place: Delhi**  
**Date: 12.08.2019**

*This Report is to be read with our letter of even date which is Annexed as (Annexure –A) and forms an integral part of this Report*

To

The Members

**F MEC INTERNATIONAL FINANCIAL SERVICES LIMITED**

11nd Floor, Central Bank Building

13-B, Netaji Subhash Marg, Daryaganj

Delhi -110002

**Subject: Our report of even date is to be read along with this letter**

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

**For A. K. VERMA & CO.**

(Practicing Company Secretaries)

**ASHOKKUMAR VERMA**

**(SENIOR PARTNER)**

**FCS: 3945**

**CP NO: 2568**

**Place: Delhi**

**Date: 12.08.2018**

**Annexure- VII****ANNUAL EVALUATION**

The Board performs three major roles in a company – it provides direction (i.e. sets the strategic direction of the company), it controls (i.e. monitors the management) and provides support and advice (advisory role). Board evaluation typically examines these roles of the Board and the entailing responsibilities, and assesses how effectively these are fulfilled by the Board.

The evaluation of the performance of the Board is essentially an assessment of how the Board has performed on all these parameters.

The evaluation framework for assessing the performance of Directors comprises of various key areas such as attendance at Board and Committee Meetings, quality of contribution to Board discussions and decisions, strategic insights or inputs regarding future growth of the Company and its performance, ability to challenge views in a constructive manner, knowledge acquired with regard to the Company's business/ activities, understanding of industry and global trends, etc.

The performance of the Board as a whole, of its committee, and of its members, shall be evaluated at the end of the year keeping in view the objectives of the Company as per the provisions of the Companies Act, 2013 and Regulation 17 of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015.

It will be the responsibility of the Chairperson who shall be supported by Company Secretary (if any) to organize the evaluation process and act on its outcome.

The evaluation of Independent Directors shall be done by the entire Board which shall include evaluation of performance of the Directors and fulfillment of the Independence Criteria as specified in the Listing Regulations and their independence from the Management. The Director who is subject to evaluation shall not participate. On the basis of performance evaluation done by the Board, it shall be determined whether to extend or continue their term of appointment, as and when their respective term expires.

The results of the annual evaluation shall remain confidential between the Chairperson, Directors concerned and the Company Secretary (if any).

The evaluation process will be used constructively as a mechanism to improve Board effectiveness, maximize strengths and tackle weaknesses.

# STANDALONE FINANCIAL STATEMENTS

## Independent Auditor's Report

**To the Members of**

**F MEC INTERNATIONAL FINANCIAL SERVICES LIMITED**

**Report on the Audit of the Standalone Financial Statements**

### Opinion

We have audited the accompanying standalone financial statements of F Mec International Financial Services Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2019 the Statement of Profit and Loss and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the **Companies Act, 2013 ("the Act")** in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, its profit and its cash flows for the year ended on that date.

### Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

### Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the standalone financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone financial statements. The results of our audit procedures, including the procedures performed to address the matters described below, provide the basis for our audit opinion on the accompanying standalone financial statements.

| Sr. No. | Key Audit Matter   |
|---------|--|
| 1.      | <p><b>Impairment of Investment in subsidiary and Loan to subsidiary (YDS Securities Private Limited) – Note 11 of the standalone financial statements.</b></p> <p>The Company has a wholly owned subsidiary, YDS Securities Private Limited, which is involved in the business of Trading of shares and providing consultancy. As at 31st March 2019 the Company has an investment of Rs 82,65,000/- in the said subsidiary. Considering the unfavorable financial performance of the subsidiary, the impairment of this investment and the recoverability of the loan could be dependent on projections by the management which are based on assumptions.</p> |

|  |  |
|--|--|
|  | <p>We have considered impairment of investment and loans to subsidiary as a Key Audit Matter considering the fact that the investments and the loan are material to the financial statements and significant judgments and estimates are involved to assess whether there are indicators of impairment, such as:</p> <ul style="list-style-type: none"> <li>• The determination of recoverable amount, being the higher of value-in-use and fair valueless costs to dispose, requires estimations on the part of management. Recoverable amounts are based on management's judgment and estimate. We have considered projected volumes, EBITDA margins, discount rate and the long term growth rates as key inputs in the impairment analysis.</li> </ul>  |
|  | <p>Auditor's Response</p>  |
|  | <p>How the Key Audit Matter Was Addressed in the Audit</p> <p>Our audit procedures included , challenging management on the appropriateness of the impairment models and reasonableness of the assumptions used, focusing in particular the business projections of YDS Securities Limited through the following procedures:</p> <ul style="list-style-type: none"> <li>• We obtained an, understanding of controls instituted by the management to assess impairment indicators and tested the effectiveness of the management controls over the impairment assessment process and, preparation of impairment workings.</li> <li>• Tested the mathematical accuracy and performed sensitivity analysis in order to access the potential impact of changes in the inputs used on the recoverable amount;</li> <li>• Evaluated the adequacy of disclosures in the financial statements with respect to the assumptions and checked whether they were appropriately presented</li> </ul> |

**Information Other than the Standalone Financial Statements and Auditor's Report Thereon**

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

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

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

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

**Management's Responsibility for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, and cash flows of the Company in accordance with other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.



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

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

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

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we

determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**Report on Other Legal and Regulatory Requirements**

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

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
- d) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
- e) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial
- f) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, no remuneration has been paid by the Company to its directors during the year therefore provisions of section 197 of the Act does not attract.

- g) 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 does not have any pending litigations which would impact its financial position;
    - ii. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses;
    - iii. There were no amounts which required to be transferred to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the order.

**For Sanjay K Singhal & Co**

**Chartered Accountants**

**FRN: 024807N**

**(Sanjay Kumar Singhal)**

**Partner**

**M. No. 503475**

**Place: Delhi**

**Date: 22/05/2019**

## ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of **F Mec International Financial Services Limited** of even date)

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

We have audited the internal financial controls over financial reporting of **F Mec International Financial Services Limited** ("the Company") as of March 31, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

### Management's Responsibility for Internal Financial Controls

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. 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 respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

### Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Limitations of Internal Financial Controls over Financial Reporting**

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

**Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For Sanjay K Singhal & Co****Chartered Accountants****FRN: 024807N****(Sanjay Kumar Singhal)****Partner****M.No. 503475****Place: Delhi****Date: 22/05/2019****Annexure - B to the Independent Auditors' Report**

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of **F Mec International Financial Services Limited** of even date)

1. In respect of the Company's fixed assets:
  - (i) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - (ii) The Company has a program of verification to cover all the items of fixed assets in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
  - (iii) The company does not own any immovable property as on the Balance Sheet date.
2. The Company does not have any inventories as on the Balance Sheet date.
3. The company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3 (iii) (a) to (c) of the order are not applicable to the Company and hence not commented upon.

4. In respect of loans, investments, guarantees, and security all mandatory provisions of section 185 and 186 of the Companies Act, 2013 have been complied with.
5. The company has not accepted any deposits.
6. Maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013.
7. (a) The company is regular in depositing undisputed statutory dues including provident fund, Employee's state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities.  
(b) Dues of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax have been deposited on time there is no dispute is pending on the part of company.
8. The company hasn't made any default in repayment of loans or borrowing to a financial institution, bank, Government and has not issued any debentures.
9. The company doesn't raise any money by way of initial public offer or further public offer (including debt instruments)
10. Neither company has done any fraud nor by its officers or employees so nothing to be disclosed separately.
11. In our opinion and to the best of our information and according to the explanations given to us, no remuneration has been paid by the Company to its directors during the year therefore clause 11 of the order is not applicable to the company and hence not commented upon.
12. Company is not a Nidhi Company hence nothing to be disclosed for any provisions applicable on Nidhi Company.
13. All transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc. as required by the applicable accounting standards;
14. The company hasn't made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
15. The company hasn't entered into any non-cash transactions with directors or persons connected with him.
16. The company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and accordingly, the company has obtained registration, Reg. No. 14.01129.

**For Sanjay K Singhal & Co**

**Chartered Accountants**

**FRN: 024807N**

**(Sanjay Kumar Singhal)**

**Partner**

**M. No. 503475**

**Place: New Delhi**

**Dated: 22/05/2019**

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**AUDITORS' ADDITIONAL REPORT****BOARD OF THE DIRECTORS****F MEC INTERNATIONAL FINANCIAL SERVICES LIMITED****IInd Floor, Central Bank Building 13- B, Netaji Subhash Marg****Daryaganj, Delhi- 110002**

This Report is issued in accordance with the terms of master directions vide no. **DNBS. PPD.03/66.15.001/2016-17** issued by Reserve Bank of India under head Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2016 dated September 29th, 2016.

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

**Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters 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, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Pursuant to the requirements of Non Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2016 ('the Directions' as amended from time to time) it is our responsibility to examine the books and records of the Company and report on the matters specified on the Directions to the extent applicable to the Company.

We conducted our examination in accordance with Guidance Note on Special Purpose Audit Reports and Certificates issued by Institute of Chartered Accountants of India.

Based on our examination of the books and records of the Company as produced for our examination and the information and explanation given to us, we further Report that:

- The Company is engaged in the business of Non- Banking Financial Company and has obtained certificate of Registration on **11th September, 1998 bearing No. B -14.01129** under section 45 I (a) of the Reserve Bank of India Act, 1934 ("the Bank") Department of Non Banking Supervision, New Delhi Regional Office.
- The Company is entitled to continue to hold such COR in terms of its asset/income pattern as on March 31, 2019.
- The Board of Directors of the Company has passed a resolution in its meeting held on 18th May, 2018 for non-acceptance of public deposits.
- The Company has not accepted any public deposits during the year ended 31st March, 2019.
- The Company is meeting the requirement of net owned fund as laid down in Master Circular- Non Systematically Important Non deposit taking Company (Reserve Bank) Directions, 2016

- The Company has complied with prudential norms relating to income recognition, accounting standards, assets classification and provisioning for bad and doubtful debts as applicable to it in terms of Non-Banking Financial Company- Non Systematically Important Non -Deposit taking Company (Reserve Bank) Directions, 2016.
- The company has complied with all the items referred to in paragraph 3 of the above stated Master Directions, 2016. Hence, there is no Qualified and/or unfavorable observation in the Auditor's Report of the Company for the Financial Year ending 31st March, 2019.

**Restriction on Use**

This Report is issued pursuant to our obligations under Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2016 as applicable from September 29, 2016 to submit a Report on exceptions, noted while issuing our Report dated 22nd May, 2019 on additional matters as stated in the above directions, to Reserve Bank of India and should not be used by any other person or for any other purpose. M/s Sanjay K Singhal & Co.. neither accepts nor assumes any duty or liability for any other purpose or to any other party to whom our Report is shown or into whose hands it may come without our prior consent in writing.

**For Sanjay K Singhal & Co.****Chartered Accountants****FRN: 024807N****(SANJAY KUMAR SINGHAL)****Partner****M. No. 503475****Place: New Delhi****Date: 22/05/2019**

**BALANCE SHEET AS AT MARCH 31, 2019**

|  | Note No. | Figures as at the end of<br>current reporting period<br>31.03.2019 | Figures as at the end of<br>current reporting period<br>31.03.2018 |
|--|----------|--|--|
| <b>I. EQUITY AND LIABILITIES</b>                     |          |  |  |
| <b>(1) Shareholders' Funds</b>                       |          |  |  |
| (a)  | 3        | 31,007,000   | 31,007,000   |
| (b)  | 4        | 1,043,642  | 660,958  |
| (c)  |          | -  | -  |
|  |          | <u>32,050,642</u>  | <u>31,667,958</u>  |
| <b>(2) Share Application Money pending allotment</b> |          |  |  |
| <b>(3) Non-Current Liabilities</b>                   |          |  |  |
| (a)  | 5        | -  | -  |
| (b)  |          | -  | 3,167  |
| (c)  |          | -  | -  |
| (d)  |          | -  | -  |
|  |          | <u>-</u>   | <u>3,167</u>   |
| <b>(4) Current Liabilities</b>                       |          |  |  |
| (a)  | 6        | 131,589,637  | -  |
| (b)  | 7        | -  | -  |
| A.   |          | -  | -  |
| "B.  |          | -  | -  |
|  |          | <u>132,750,788</u>   | <u>1,146,848</u>   |
|  |          | <u>164,801,430</u>   | <u>32,817,973</u>  |
| <b>II. ASSETS</b>                                    |          |  |  |
| <b>(1) Non-Current Assets</b>                        |          |  |  |
| (a)  |          |  |  |
| (i)  | 10       | 88,787   | 188,729  |
| (ii)   |          | -  | -  |
| (iii)  |          | -  | -  |
| (iv)   |          | -  | -  |
|  |          | <u>88,787</u>  | <u>188,729</u>   |
| (b)  | 11       | 8,265,300  | 8,265,300  |
| (c)  | 12       | 14,099   | -  |
| (d)  | 13       | -  | -  |
| (e)  |          | -  | -  |
|  |          | <u>8,279,399</u>   | <u>8,265,300</u>   |
| <b>(2) Current assets</b>                            |          |  |  |
| (a)  |          | -  | -  |
| (b)  |          | -  | -  |
| (c)  |          | -  | -  |
| (d)  | 14       | 749,353  | 641,611  |
| (e)  | 15       | 154,169,971  | 23,393,538   |
| (f)  | 16       | 1,513,920  | 328,796  |
|  |          | <u>156,433,244</u>   | <u>24,363,945</u>  |
|  |          | <u>164,801,430</u>   | <u>32,817,973</u>  |

Significant Accounting Policies & Notes to Accounts 1 & 2  
The schedules referred to above form an integral part Financial Statements

In terms of our attached report of even date

SANJAY KSINGHAL & Co.  
Chartered Accountants  
FRN : 024807N

(Sanjay Kumar Singhal)  
Partner  
M.NO. :503475

Place: New Delhi  
Dated: 22.05.2019

For and on behalf of

**F Mec International Financial Services Limited**

(Apoorve Bansal)  
Managing Director  
Din: 08052540

(Manoj Kumar)  
Chief Financial Officer  
PAN: AGOPT3174G

(Rohit Agrawal)  
Director  
Din-06490313

(Radhika Kathuria)  
Company Secretary & Compliance Officer  
M. No. : A53513



**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDING 31ST MARCH 2019**

|   | Note No.    | Figures as at the end of<br>current reporting period<br>31.03.2019 | Figures as at the end of<br>current reporting period<br>31.03.2018 |
|---|-------------|--|--|
| <b>(I) Revenue from operations</b>  | <b>17</b>   | <b>12,505,892</b>  | <b>5,137,897</b>   |
| <b>(II) Other Income</b>  | <b>17.1</b> | <b>163</b>   | <b>4,517</b>   |
| <b>(III) Total Revenue (I + II)</b>   |             | <b>12,506,055</b>  | <b>5,142,414</b>   |
| <b>Expenses</b>   |             |  |  |
| Cost of materials consumed  |             | -  | -  |
| Purchase of Stock-in-Trade  |             | -  | -  |
| "Changes in inventories of Finished Goods, Work-in-Progress and Stock-in-Trade" |             | -  | -  |
| Employee Benefit Expense  | 18          | 968,300  | 984,635  |
| Finance costs   | 19          | 5,537  | 1,434  |
| Depreciation and amortization expense   |             | 99,942   | 28,761   |
| Other Expenses  | 20          | 10,917,540   | 3,627,885  |
| <b>(IV) Total Expenses</b>  |             | <b>11,991,319</b>  | <b>4,642,716</b>   |
| <b>(V) Profit before exceptional and extraordinary items and tax (III - IV)</b> |             | <b>514,736</b>   | <b>499,698</b>   |
| <b>(VI) Exceptional Items</b>   |             | -  | -  |
| <b>(VII) Profit before extraordinary items and tax (V - VI)</b>                 |             | <b>514,736</b>   | <b>499,698</b>   |
| <b>(VIII) Extraordinary Items</b>   |             | -  | -  |
| <b>(IX) Profit before Tax (VII - VIII)</b>                                      |             | <b>514,736</b>   | <b>499,698</b>   |
| <b>Tax expense</b>  |             |  |  |
| (1) Current tax   |             | 149,318  | 125,577  |
| (2) Deferred tax  |             | (17,266)   | 139,427  |
| <b>(IX) Total Tax Expense</b>   |             | <b>132,052</b>   | <b>265,004</b>   |
| Profit/ (Loss) for the period from continuing operations                        |             | 382,684  | 234,694  |
| Profit/(loss) from discontinuing operations                                     |             | -  | -  |
| Tax expense of discontinuing operations   |             | -  | -  |
| Prior Period MAT Written off  |             | -  | -  |
| Prior Period Deferred Tax Adjustment  |             | -  | -  |
| <b>(X) Profit/ (Loss) for the Year after Tax</b>                                |             | <b>382,684</b>   | <b>234,694</b>   |
| <b>(XI) Transfer to Reserves</b>  |             |  |  |
| Transfer to reserve for Bad and Doubtful debts                                  |             | 169,909  | 54,734   |
| Transfer to Special Reserve (as per Sec 45- IC of the RBI Act, 1934)            |             | 76,537   | 46,939   |
| Transfer to Reserve & Surplus   |             | 136,239  | 133,022  |
| <b>(XII) Profit/ (Loss) for the Year (Net)</b>                                  |             | <b>382,684</b>   | <b>234,694</b>   |
| <b>(XIII) No. of Equity Shares (having FV of Rs. 10/- each)</b>                 |             |  |  |
| <b>(XIV) Earning per equity share (X/XIII)</b>                                  |             |  |  |
| (1) Basic   |             | 0.1234   | 0.0757   |
| (2) Diluted   |             | 0.1234   | 0.0757   |
| Significant Accounting Policies & Notes to Accounts                             | 1 & 2       |  |  |
| The schedules referred to above form an integral part Financial Statements      |             |  |  |

In terms of our attached report of even date

For and on behalf of

SANJAY K SINGHAL & Co.  
Chartered Accountants  
FRN : 024807N

**F Mec International Financial Services Limited**

(Sanjay Kumar Singhal)  
Partner  
M.NO. :503475

(Apoorve Bansal)  
Managing Director  
Din: 08052540

(Rohit Agrawal)  
Director  
Din-06490313

Place: New Delhi  
Dated: 22.05.2019

(Manoj Kumar)  
Chief Financial Officer  
PAN: AGOPT3174G

(Radhika Kathuria)  
Company Secretary & Compliance Officer  
M. No. : A53515

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2019**

|   | For the year ended<br>March 31, 2019 | For the year ended<br>March 31, 2018 |
|---|--------------------------------------|--------------------------------------|
| <b>A. Cash Flow from Operating Activities</b>               |                                      |                                      |
| Net profit before tax and extraordinary items               | 514,736                              | 499,698                              |
| Adjustment for:   |                                      |                                      |
| Depreciation  | 99,942                               | 28,761                               |
| <b>Operating profit before working capital changes</b>      | <b>614,677</b>                       | <b>528,459</b>                       |
| Adjustment for:   |                                      |                                      |
| Loans and Advances  | -                                    | -                                    |
| Trade Payables  | 110,505                              | -                                    |
| Other Current Liabilities                                   | (119,943)                            | 306,924                              |
| Short Term Provisions                                       | -                                    | -                                    |
| Trade Receivables   | -                                    | -                                    |
| Other Current Assets  | (1,185,124)                          | (24,441)                             |
| <b>Cash generated from operations</b>                       | <b>(579,885)</b>                     | <b>810,943</b>                       |
| <b>Interest paid</b>  | <b>-</b>                             | <b>-</b>                             |
| Tax Paid  | -                                    | -                                    |
| Income Tax Adjustment                                       | (125,577)                            | (110,352)                            |
| <b>NET CASH FROM OPERATING ACTIVITIES (A)</b>               | <b>(705,462)</b>                     | <b>700,591</b>                       |
| <b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>               |                                      |                                      |
| Capital advance   | -                                    | -                                    |
| Purchase of Investment                                      | -                                    | -                                    |
| Purchase of Fixed Assets                                    | -                                    | (217,490)                            |
| Long Term Loan & Advances                                   | -                                    | (501,818)                            |
| Short Term Loan & Advances                                  | (130,776,433)                        | -                                    |
| Non-Current Investments                                     | -                                    | 100,000                              |
| <b>NET CASH USED IN INVESTING ACTIVITIES (B)</b>            | <b>(130,776,433)</b>                 | <b>(619,308)</b>                     |
| <b>C. CASH FLOW FROM FINANCE ACTIVITIES</b>                 |                                      |                                      |
| (Decrease)/increase in Equity Share Capital                 | -                                    | -                                    |
| (Decrease)/increase in Securities Premium                   | -                                    | -                                    |
| (Decrease)/increase in Preference Shares                    | -                                    | -                                    |
| (Decrease)/increase in Long Term Borrowings                 | -                                    | (133,739)                            |
| (Decrease)/increase in Short Term Borrowings                | 131,589,637                          | -                                    |
| (C)   | 131,589,637                          | (133,739)                            |
| <b>D. NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)</b> | <b>107,742</b>                       | <b>(52,456)</b>                      |
| Cash and cash equivalents opening balance                   | 641,611                              | 694,067                              |
| Cash and cash equivalents closing balance                   | 749,353                              | 641,611                              |

In terms of our attached report of even date

SANJAY K SINGHAL & Co.  
Chartered Accountants  
FRN : 024807N

(Sanjay Kumar Singhal)  
Partner  
M.NO. :503475

Place: New Delhi  
Dated: 22.05.2019

For and on behalf of

**F Mec International Financial Services Limited**

(Apoorve Bansal)  
Managing Director  
Din: 08052540

(Manoj Kumar)  
Chief Financial Officer  
PAN: AGOPT3174G

(Rohit Agrawal)  
Director  
Din-06490313

(Radhika Kathuria)  
Company Secretary & Compliance Officer  
M. No. : A53515

**NOTES FORMING INTEGRAL PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2019****1. CORPORATE INFORMATION**

FMEC International Financial Services Limited (the company) is a Limited company domiciled in India and incorporated under provision of Companies Act, 1956 as on 7th June 1993 and is Holding of YDS Securities Private Limited. The company is engaged in the business of Financing and providing Consultancy.

**2. SIGNIFICANT ACCOUNTING POLICIES****2.1 BASIS OF PREPARATION OF ACCOUNTS**

The financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles ("GAAP") under the historical cost convention on the accrual basis. GAAP comprises mandatory accounting standards as specified under section 133 of the companies Act 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016. The Financial Statements has been prepared on the accrual basis and under the historical cost convention. The managements evaluate all recently issued or revised accounting standards on a going-concern basis

**CURRENT AND NON-CURRENT CLASSIFICATION**

The financial statements have been prepared on accrual and going concern basis. All assets and liabilities have been classified as current or non current as per the Company's normal operating cycle and other criteria as set out in the Division II of Schedule III to the Companies Act, 2013. Based on the nature of products and the time between acquisition of assets for and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

**2.2 USE OF ESTIMATES AND JUDGMENTS**

"The estimates and judgments used in the preparation of the financial statements are continuously evaluated by the Company and are based on historical experience and various other assumptions and factors (including expectations of future events) that the Company believes to be reasonable under the existing circumstances. Differences between actual results and estimates are recognised in the period in which the results are known/ materialised."

The said estimates are based on the facts and events, that existed as at the reporting date, or that occurred after that date but provide additional evidence about conditions existing as at the reporting date.

**2.3 REVENUE RECOGNITION**

Revenue is recognized on mercantile basis to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.

**2.4 PROPERTY, PLANT ANDEQUIPMENT****i) Tangible Fixed Assets**

"Depreciation is provided on a pro-rata basis on the straight line method based on estimated useful life prescribed under Schedule II to the Companies Act, 2013 with the exception of the following:

- Depreciation on assets costing Rs. 5,000 or less is provided @100% over a period of one year.
- The residual values, useful lives and method of depreciation of property, plant and equipment is reviewed at each financial year end and adjusted prospectively, if appropriate."

| Description of Asset | Estimated useful life as per schedule II |
|----------------------|--|
| Air Conditioner      | 15                                       |
| Computer & Hardware  | 3  |
| Refrigerator         | 5  |

## 2.5 INTANGIBLE ASSETS

The Company has neither acquired nor having any Intangible Assets as on the date of Balance Sheet

## 2.6 INVESTMENT

Investments are valued at cost.

## 2.7 TAX EXPENSES

"The tax expense for the period comprises current and deferred tax. Tax is recognised in Statement of Profit and Loss, except to the extent that it relates to items recognised in the comprehensive income or in equity. In which case, the tax is also recognised in other comprehensive income or equity."

### Current Tax:

Provision for Taxation is ascertained on the basis of assessable profit computed in accordance with the provisions of Income Tax Act, 1961.

### Minimum Alternate Tax (MAT) Credit:

Minimum Alternate Tax credit is recognized, as deferred tax asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in guidance note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the Profit and Loss Account and shown as MAT Credit Entitlement under Loans & Advances. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal Income Tax during the specified period.

### Deferred Tax:

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of Deferred tax liabilities and assets are reviewed at the end of each reporting period.

## 2.8 EMPLOYEE BENEFITS

### Short Term Employee Benefits:

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits and the undiscounted amount of such employee benefits are recognised in Statement of Profit and Loss in the period in which the employee renders the related services. These benefits include salaries, wages, bonus, performance incentives etc.

### Defined Benefit Plan

Gratuity and long-term compensated absences are provided for based on actuarial valuation carried out at the close of each period. The actuarial valuation is done by an Independent Actuary as per projected unit credit method.

ns, the amount recognised as 'Employee benefit expenses' in the Statement of Profit and Loss is the cost of accruing employee benefits promised to employees over the year and the costs of individual events such as past/future service benefit changes and settlements (such events are recognised immediately in the Statement of Profit and Loss). The amount of net interest expense calculated by applying the liability discount rate to the net defined benefit liability or asset is charged to 'Employee benefits expense' in the Statement of Profit and Loss. Any differences between the interest income on plan assets and the return actually achieved, and any changes in the liabilities over the year due to changes in actuarial assumptions or experience adjustments within the plans, are recognised immediately in 'Other comprehensive income' and subsequently not reclassified to the Statement of Profit and Loss.

#### Defined Contribution Plan

Contributions to defined contribution schemes such as employee provident fund, superannuation scheme, employee pension scheme etc. are charged as an expense based on the amount of contribution required to be made as and when services are rendered by the employees. Company's provident fund contribution, in respect of certain employees, is made to a government administered fund and charged as an expense to the Statement of Profit and Loss. The above benefits are classified as Defined Contribution Schemes as the Company has no further defined obligations beyond the monthly contributions.

## 2.9 SEGMENT REPORTING

Segment information for the year ended 31st March, 2019 as per accounting standard issued by the institute of Chartered Accountants of India is as under:

Previous year's figures are indicated in brackets.

| Segment Reporting   | Sale | Loan | Unallocable | Total           |
|---|------|------|-------------|-----------------|
| Segment Revenue[External]   | -    | -    | 125.06      | 125.06          |
|   | -    | -    | (51.42)     | (51.42)         |
| Segment Revenue[Internal]   | -    | -    | -           | -               |
|   | -    | -    | -           | -               |
| <b>Total Revenue</b>  | -    | -    | 125.06      | 125.06          |
|   | -    | -    | (51.42)     | (51.42)         |
| <b>Segment Result</b><br>[Profit/Loss before Depreciation, Amortization,<br>Interest, Tax and Unallocable, Overheads, Financial<br>Charges] |      |      |             | 6.20<br>(5.30)  |
| <b>Less:</b> Depreciation and Amortization  |      |      |             | 1.00<br>(0.29)  |
| <b>Less:</b> Interest and Financial charges   |      |      |             | 0.06<br>(0.01)  |
| Profit/Loss before taxation   |      |      |             | 5.15<br>(5.00)  |
| Provision for taxation (Current)  |      |      |             | 1.49<br>(1.25)  |
| Provision for Taxation (Deferred)   |      |      |             | -0.17<br>(1.39) |
| Net Profit after Tax  |      |      |             | 3.83<br>(2.35)  |

Assets used in the company's business or liabilities contracted have not been identified to any of the reportable segment as all the assets and services are used interchangeably between segments. The company believes that it is currently not practicable to provide segment disclosure relating to total assets and liabilities since a meaningful segregation of available data is onerous

## 2.10 CASH FLOW STATEMENT

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

## 2.11 EARNINGS PER SHARE

Earning Per Share (EPS) is 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 Earning Per share, the Net Profit or Loss for the period attributable to equity shareholders is divided by the Weighted Average Number of shares outstanding during the period after adjusting for the effects of all dilutive potential equity shares.

| PARTICULARS  | 2018-19 | 2017-18 |
|--|---------|---------|
| Net Profit after Tax attributable to Equity Shareholders (Rs.) | 382684  | 234694  |
| Weighted Average number of Equity Shares                       | 3100700 | 3100700 |
| Basic Earnings per Share (Face Value Rs. 10) (Rs.)             | 0.1234  | 0.0757  |

## 2.12 PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS PROVISIONS

A provision is recognized when an enterprise has a present obligation as a result of past event. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

### CONTINGENT LIABILITIES

A contingent liability is disclosed where, as a result of past events, there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow or resources is remote, no provision or disclosure is made.

### CONTINGENT ASSETS

"Contingent Assets are neither recognized nor disclosed. Provisions, Contingent Liabilities and Contingent Assets are reviewed at each Balance Sheet date."

## 2.13 FINANCIAL INSTRUMENTS

### a) FINANCIAL ASSETS

"Financial assets are recognised when the Company becomes a party to the contractual provisions of the instrument. On initial recognition, a financial asset is recognised at fair value, in case of Financial assets which are recognised at fair value through profit and loss (FVTPL), its transaction cost are recognised in the statement of profit and loss. In other cases, the transaction cost are attributed to the acquisition value of the financial asset. Financial assets are subsequently classified and measured at:-

- amortised cost
- fair value through profit and loss (FVTPL)."

### INVESTMENTS IN SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES

The Company has accounted for its investments in subsidiaries, associates and joint venture at cost.

**IMPAIRMENT OF FINANCIAL ASSETS**

In accordance with Ind AS 109, the Company uses 'Expected Credit Loss' (ECL) model, for evaluating impairment of financial assets other than those measured at fair value through profit and loss (FVTPL).

The Company measures the expected credit loss associated with its assets based on historical trend, industry practices and the business environment in which the entity operates or any other appropriate basis. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

**b). FINANCIAL LIABILITIES**

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the amortised cost unless at initial recognition, they are classified as fair value through profit and loss.

Financial liabilities are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

**2.14 AUDITOR'S REMUNERATION**

| PARTICULARS         | Amount (In Rs.) |         |
|---------------------|-----------------|---------|
|                     | 2018-19         | 2017-18 |
| Statutory Audit Fee | 25000           | 25000   |
| In other capacity   | -               | -       |
| TOTAL               | 25000           | 25000   |

**2.15 RELATED PARTY DISCLOSURE****NAMES OF RELATED PARTIES**

- a) The company is Holding of YDS Securities Pvt. Ltd.  
b) Key Management Personnel:

| Name                 | Designation             |
|----------------------|-------------------------|
| Mr. Apoorve Bansal   | Managing Director       |
| Mr. Manoj Kumar      | Chief Financial Officer |
| Ms. Radhika Kathuria | Company Secretary       |

2.16 In the opinion of the directors, current assets and advances have a value on realization in the ordinary course of the business at least equal to the amount at which these have been stated in the Balance Sheet.

2.17 Balances of Sundry Creditors/Debtors are subject to confirmation/reconciliation, which in the opinion of the management is not significant, adjustments, if any will be carried out as and when settled. However accounts have been reconciled on the basis of materiality.

2.18 There is no contingent liability as Certified by the management of the company.

2.19 All the known liabilities have been provided for and there are no disputed liabilities as confirmed by the management of the company.

**STANDALONE NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDING 31ST MARCH 2019**

| Note No. | Particulars   | Figures for the current   |                   | Figures for the previous  |                   |
|----------|---|---------------------------|-------------------|---------------------------|-------------------|
|          |   | reporting period 31/03/19 |                   | reporting period 31/03/18 |                   |
| <b>3</b> | <b>Share Capital</b>  |                           |                   |                           |                   |
|          | <b>Authorised</b>   |                           |                   |                           |                   |
|          | 3500000(3500000) Equity Shares of Rs. 10/- Par Value              |                           | 35,000,000        |                           | 35,000,000        |
|          |   |                           | <u>35,000,000</u> |                           | <u>35,000,000</u> |
|          | <b>Issued</b>   |                           |                   |                           |                   |
|          | 3100700(3100700) Equity Shares of Rs. 10/- Par Value              |                           | 31,007,000        |                           | 31,007,000        |
|          |   |                           | <u>31,007,000</u> |                           | <u>31,007,000</u> |
|          | <b>Subscribed</b>   |                           |                   |                           |                   |
|          | 3100700(3100700) Equity Shares of Rs. 10/- Par Value              |                           | 31,007,000        |                           | 31,007,000        |
|          |   |                           | <u>31,007,000</u> |                           | <u>31,007,000</u> |
|          | <b>Paidup</b>   |                           |                   |                           |                   |
|          | 3100700(3100700) Equity Shares of Rs. 10/- Par Value fully paidup |                           | 31,007,000        |                           | 31,007,000        |
|          |   |                           | <u>31,007,000</u> |                           | <u>31,007,000</u> |

**3.1 Detail of shareholders more than 5% of the shareholding**

| Particular          | 31/03/2019    |        | 31/03/2018    |        |
|---------------------|---------------|--------|---------------|--------|
|                     | No. of Shares | % Held | No. of Shares | % Held |
| Manoj Kumar Jain    | 326050        | 10.52% | 326050        | 10.52% |
| Pankaj Kumar Bansal | 235625        | 7.60%  | 235625        | 7.60%  |

**3.2 Reconciliation of shares outstanding at the beginning and at the end of the reporting date**

| Particular                               | 31/03/2019       |                   | 31/03/2018       |                   |
|--|------------------|-------------------|------------------|-------------------|
|  | No. of Shares    | Amount            | No. of Shares    | Amount            |
| <b>Number of Shares at the beginning</b> | <b>3,100,700</b> | <b>31,007,000</b> | <b>3,100,700</b> | <b>31,007,000</b> |
| Add: Issue                               | -                | -                 | -                | -                 |
| Less: Bought Back                        | -                | -                 | -                | -                 |
| Add: Other                               | -                | -                 | -                | -                 |
| <b>Number of Shares at the end</b>       | <b>3,100,700</b> | <b>31,007,000</b> | <b>3,100,700</b> | <b>31,007,000</b> |



| 4 Reserve and Surplus                                      | 31/03/2019            | 31/03/2018            |
|--|-----------------------|-----------------------|
| <b>Profit &amp; Loss</b>                                   |                       |                       |
| Balance B/f  | 322,634               | 189,612               |
| Amount Transferred From Statement of P&L                   | 136,239               | 133,022               |
| Amount Transferred from Sundries                           | -                     | -                     |
|  | <u>458,872</u>        | <u>322,634</u>        |
| Less: Appropriation and Allocation                         | -                     | -                     |
|  | <u>-</u>              | <u>-</u>              |
| <b>Total</b>   | <b><u>458,872</u></b> | <b><u>322,634</u></b> |
| <b>Special Reserve (1) as per RBI ACT</b>                  |                       |                       |
|  | <b>31/03/2019</b>     | <b>31/03/2018</b>     |
| Balance B/f  | 122,808               | 75,869                |
| Amount Transferred From Statement of P&L                   | 76,537                | 46,939                |
| Amount Transferred from Sundries                           | -                     | -                     |
|  | <u>199,345</u>        | <u>122,808</u>        |
| Less: Appropriation and Allocation                         | -                     | -                     |
|  | <u>-</u>              | <u>-</u>              |
| <b>Total</b>   | <b><u>199,345</u></b> | <b><u>122,808</u></b> |
| <b>Total</b>   | <b>199,345</b>        | <b>122,808</b>        |
| <b>Reserve for Bad and Doubtful debts (As Per RBI ACT)</b> |                       |                       |
|  | <b>31/03/2019</b>     | <b>31/03/2018</b>     |
| Balance B/f  | 215,516               | 160,782               |
| Amount Transferred From Statement of P&L                   | 169,909               | 54,734                |
| Amount Transferred from Sundries                           | -                     | -                     |
|  | <u>385,425</u>        | <u>215,516</u>        |
| Less: Appropriation and Allocation                         | -                     | -                     |
|  | <u>-</u>              | <u>-</u>              |
| <b>Total</b>   | <b><u>385,425</u></b> | <b><u>215,516</u></b> |
| <b>G. Total</b>  | <b>1,043,642</b>      | <b>660,958</b>        |

| 5 | <b>Long Term Borrowings</b>   | <b>31/03/2019</b>  | <b>31/03/2018</b> |
|---|---|--------------------|-------------------|
|   | Loan and Advances From Subsidiary Company & Other Parties                                     |                    |                   |
|   | <b>Secured Loans:-</b>  | -                  | -                 |
|   | <b>Unsecured Loans:-</b>  | -                  | -                 |
|   | <b>Total</b>  | -                  | -                 |
| 6 | <b>Short Term Borrowings</b>  | <b>31/03/2019</b>  | <b>31/03/2018</b> |
|   | Loan and Advances From Subsidiary Company & Other Parties                                     |                    |                   |
|   | <b>Secured Loans:-</b>  |                    |                   |
|   | Tata Capital Financial Services Limited   | 128,940,767        | -                 |
|   | <b>Unsecured Loans:-</b>  |                    |                   |
|   | Sapling Developers Pvt Ltd  | 2,648,870          | -                 |
|   | <b>Total</b>  | <b>131,589,637</b> | -                 |
| 7 | <b>Trade Payables</b>   | <b>31/03/2019</b>  | <b>31/03/2018</b> |
|   | <b>Total Outstanding Dues of Micro Enterprises and Small Enterprises</b>                      | -                  | -                 |
|   | <b>Total Outstanding Dues of Creditors other than Micro Enterprises and Small Enterprises</b> |                    |                   |
|   | 4A Securities Limited   | 357,393            | -                 |
|   | Transunion Cibil Limited  | 5,900              | 5,900             |
|   | J.K. Courier Services   | 17,494             | -                 |
|   | Zeal Advertising Pvt Ltd  | 18,884             | 17,266            |
|   | Chandan Sharma  | -                  | 266,000           |
|   | <b>Total</b>  | <b>399,671</b>     | <b>289,166</b>    |
| 8 | <b>Other Current Liabilities</b>  | <b>31/03/2019</b>  | <b>31/03/2018</b> |
|   | <b>Expenses Payables</b>  |                    |                   |
|   | Audit Fees Payable  | 25,000             | 25,000            |
|   | CGST Payable  | -                  | 1,036             |
|   | SGST Payable  | -                  | 1,036             |
|   | TDS Payable   | 361,966            | 14,000            |
|   | Expenses Payables (as per annexure 1)   | 225,196            | 691,034           |
|   | <b>Total</b>  | <b>612,163</b>     | <b>732,106</b>    |
| 9 | <b>Short-Term Provisions</b>  | <b>31/03/2019</b>  | <b>31/03/2018</b> |
|   | Provision for Income Tax  | 149,318            | 125,577           |
|   | <b>Total</b>  | <b>149,318</b>     | <b>125,577</b>    |

| <b>11</b> | <b>Non Current Investments</b>   | <b>31/3/2019</b>  |                  | <b>31/03/2018</b> |
|-----------|--|-------------------|------------------|-------------------|
|           | <b>Investments</b>   |                   |                  |                   |
|           | <b>Unquoted</b>  | <u>Face Value</u> | <u>Quantity</u>  |                   |
|           | YDS Securities Pvt. Ltd.   | 10                | 826,530          | 8,265,300         |
|           | Others   | 10                | 10,000           | -                 |
|           |  |                   | <b>8,265,300</b> | <b>8,365,300</b>  |
| <b>12</b> | <b>Deferred Tax Assets/ (Liability)</b>                                  | <b>31/03/2019</b> |                  | <b>31/03/2018</b> |
|           | Deferred Tax Assets  |                   | 14,099           | -                 |
|           | <b>Total</b>   |                   | <b>14,099</b>    | <b>-</b>          |
| <b>13</b> | <b>Long-term loans and advances</b>                                      | <b>31/03/2019</b> |                  | <b>31/03/2018</b> |
|           | <b>Long Term Loans and Advances to be recoverable in cash or in kind</b> |                   |                  |                   |
|           | <b>Unsecured Considered good</b>   |                   | -                | -                 |
|           | <b>Total</b>   |                   | <b>-</b>         | <b>-</b>          |
| <b>14</b> | <b>Cash and cash equivalents</b>   | <b>31/03/2019</b> |                  | <b>31/03/2018</b> |
|           | Cash in Hand   |                   | 376,633          | 157,495           |
|           | Balance With Banks-  |                   |                  |                   |
|           | Current Account with Union Bank of India                                 |                   | 36,864           | 324,252           |
|           | Current Account with Axis Bank   |                   | -                | 50,000            |
|           | Current Account with ICICI Bank  |                   | 18,946           | -                 |
|           | Current Account with Yes Bank  |                   | 316,910          | 109,864           |
|           | <b>Total</b>   |                   | <b>749,353</b>   | <b>641,611</b>    |

| <b>15</b> | <b>Short-term loans and advances</b>  | <b>31/03/2019</b>  | <b>31/03/2018</b> |
|-----------|---------------------------------------|--------------------|-------------------|
|           | <b>Other advances</b>                 |                    |                   |
|           | Advance for Shares                    | 1,500,000          | 1,500,000         |
|           | 4A Financial Securities Limited       | 101,342,748        | -                 |
|           | ACE Integrated Solutions Limited      | 1,058,142          | -                 |
|           | Aman Drugs Pvt Ltd                    | 1,108,000          | 1,054,094         |
|           | Arun Bhatt                            | 1,468,630          | 1,318,630         |
|           | AS Buildpro Pvt. Ltd.                 | 1,802,044          | 1,730,044         |
|           | Avtar Instalments Pvt Ltd             | 25,645,223         | -                 |
|           | Bhagyashree Industries                | 1,167,202          | 1,059,202         |
|           | Invision Entertainment Pvt Ltd        | 593,695            | 539,695           |
|           | IT Serve Global                       | 1,687,147          | 1,646,647         |
|           | Karo Coils Pvt. Ltd.                  | 661,340            | 3,386,100         |
|           | Meenakshi Bhatt                       | 885,000            | 795,000           |
|           | Pahwa Buildtech Private Limited       | 529,460            | -                 |
|           | Paras Green                           | 2,844,500          | 2,574,500         |
|           | Rheathe Trust                         | 1,012,356          | -                 |
|           | Senorita Enterprises Pvt Ltd          | 2,365,291          | 2,189,626         |
|           | Shree Shitla Portfolio Pvt Ltd        | 1,657,600          | 1,600,000         |
|           | Shri Varda Pacific Securities Limited | 2,781,593          | -                 |
|           | Suresh Pal Singh                      | 3,500,000          | 3,500,000         |
|           | Sweta Singh                           | 560,000            | 500,000           |
|           | <b>Total</b>                          | <b>154,169,971</b> | <b>23,393,538</b> |
| <b>16</b> | <b>Other current assets</b>           | <b>31/03/2019</b>  | <b>31/03/2018</b> |
|           | CGST                                  | 16,537             | 10,930            |
|           | IGST                                  | 96,584             | 1,800             |
|           | SGST                                  | 16,537             | 24,080            |
|           | TDS A.Y. 2018-19                      | 166,409            | 291,986           |
|           | TDS A.Y. 2019-20                      | 1,217,853          | -                 |
|           | <b>Total</b>                          | <b>1,513,920</b>   | <b>328,796</b>    |

| <b>17</b>   | <b>Revenue from operations</b>         | <b>31/03/2019</b> | <b>31/03/2018</b> |
|-------------|--|-------------------|-------------------|
|             | <b>Income from Services</b>            |                   |                   |
|             | Consultancy & Commission Income        | -                 | 4,000,000         |
|             | Interest Income                        | 12,490,892        | 1,035,897         |
|             | Processing Fee                         | 15,000            | 102,000           |
|             | <b>Total</b>                           | <b>12,505,892</b> | <b>5,137,897</b>  |
| <b>17.1</b> | <b>Other Income</b>                    | <b>31/03/2019</b> | <b>31/03/2018</b> |
|             | Short & Excess                         | 163               | -                 |
|             | Interest Received on Income Tax Refund | -                 | 4,517             |
|             | <b>Total</b>                           | <b>163</b>        | <b>4,517</b>      |
|             | <b>Total</b>                           | <b>12,506,055</b> | <b>5,142,414</b>  |
| <b>18</b>   | <b>Employee Benefit Expenses</b>       | <b>31/03/2019</b> | <b>31/03/2018</b> |
|             | Salary                                 | 968300            | 984,635           |
|             | Total                                  | 968300            | 984,635           |
| <b>19</b>   | <b>Finance costs</b>                   | <b>31/03/2019</b> | <b>31/03/2018</b> |
|             | Bank Charges                           | 5,537             | 1,434             |
|             | <b>Total</b>                           | <b>5,537</b>      | <b>1,434</b>      |

| 20 | <b>Other Expenses</b>                                 | <b>31/03/2019</b> | <b>31/03/2018</b> |
|----|---|-------------------|-------------------|
|    | Advertisement Expenses                                | 59,904            | 222,300           |
|    | Annual Fees   | 22,611            | 31,259            |
|    | Auditor's Fees  | 25,000            | 25,000            |
|    | Bad Debts   | -                 | 1,803,387         |
|    | Brokerage & Related Securities & Commodities Services | 316,304           | -                 |
|    | Commission Paid                                       | -                 | 280,000           |
|    | Consultancy Fee                                       | -                 | 500,000           |
|    | Conveyance  | 5,683             | 5,084             |
|    | Courier Expenses                                      | 31,110            | 32,568            |
|    | Diwali Bonus  | -                 | 43,500            |
|    | E- Voting Charges                                     | 10,000            | 11,650            |
|    | Filing Fee- BSE                                       | -                 | 128,962           |
|    | GST Expenses  | 36,018            | -                 |
|    | Interest On TDS                                       | 5,385             | 78                |
|    | Interest Paid   | 9,997,064         | -                 |
|    | Issuer Fee  | 9,000             | 9,000             |
|    | Listing Fees  | 250,000           | 250,000           |
|    | Meeting Fee   | 1,507             | 25,000            |
|    | Office Expenses                                       | -                 | 12,314            |
|    | Other Expenses  | 2,379             | 4,749             |
|    | Penalty   | -                 | 200               |
|    | Printing & Stationary                                 | 14,746            | 48,652            |
|    | Professional Fee                                      | 36,400            | 61,249            |
|    | Rent  | 48,000            | 48,000            |
|    | Repair & Maintenance                                  | -                 | 13,625            |
|    | ROC Charges   | 29,106            | 7,755             |
|    | Swachh Bharat Cess Tax                                | -                 | 1,549             |
|    | Telephone & Internet Expenses                         | 13,324            | 22,376            |
|    | Travelling Expenses                                   | -                 | 35,630            |
|    | Website Designing Expenses                            | 4,000             | 4,000             |
|    | <b>Total</b>  | <b>10,917,540</b> | <b>3,627,885</b>  |

**NOTE : 10 Tangible Assets**

(Amount InRs.)

| PARTICULARS         | Gross Block              |                          |                                |                          | Depreciation            |                           |                                       |                         | Net Block                |                          |
|---------------------|--------------------------|--------------------------|--------------------------------|--------------------------|-------------------------|---------------------------|---------------------------------------|-------------------------|--------------------------|--------------------------|
|                     | Balance as on 01/04/2018 | Addition During the year | Disposal/Sales during the year | Balance As At 31/03/2019 | Balance upto 31/03/2018 | Depreciation for the year | Depreciation written back or transfer | Balance upto 31/03/2019 | Balance as on 31/03/2019 | Balance as on 31/03/2018 |
| Air Conditioner     | 85,000                   | -                        | -                              | 85,000                   | 5,354                   | 15,717                    | -                                     | 21,071                  | 63,929                   | 79,646                   |
| Computer & Hardware | 109,990                  | -                        | -                              | 109,990                  | 19,879                  | 73,541                    | -                                     | 93,420                  | 16,570                   | 90,111                   |
| Office Equipment    | 22,500                   | -                        | -                              | 22,500                   | 3,529                   | 10,683                    | -                                     | 14,212                  | 8,288                    | 18,971                   |
| <b>Total</b>        | <b>217,490</b>           |                          |                                | <b>217,490</b>           | <b>28,761</b>           | <b>99,941</b>             |                                       | <b>128,702</b>          | <b>88,788</b>            | <b>188,729</b>           |

**Annexure 1**

**Expense Payable**

| Particulars                               | Year ended 31/03/2019 | Year ended 31/03/2018 |
|---|-----------------------|-----------------------|
| Airtel                                    | -                     | 106                   |
| A. K. VERMA & CO.                         | 166,096               | 266,096               |
| Expenses Payable                          | -                     | 35,630                |
| Manoj Kumar- Expenses on Behalf of Office | -                     | 685                   |
| Rent Payable                              | -                     | 24,000                |
| Salary Payable                            | -                     | 71,250                |
| Salary Payable - Anjan Jha                | -                     | 97,600                |
| Salary Payable - Dheeraj Kumar            | -                     | 25,000                |
| Salary Payable - Manoj Kumar              | 34,100                | 64,000                |
| Salary Payable - Radhika Kathuria         | 25,000                | 25,000                |
| Salary Payable - Richa Agarwal            | -                     | 81,667                |
| <b>Total</b>                              | <b>225,196</b>        | <b>691,034</b>        |

# CONSOLIDATED FINANCIAL STATEMENTS



## Independent Auditor's Report

To the Members of

F MEC INTERNATIONAL FINANCIAL SERVICES LIMITED

**Report on the Audit of the Consolidated Financial Statements**

### Opinion

We have audited the accompanying consolidated financial statements of F Mec International Financial Services Limited ("the Holding Company or the Company") and its subsidiary, viz., YDS Securities Private Limited (the Holding Company and its subsidiary together referred to as "the group"), comprising of the consolidated Balance Sheet as at March 31, 2019, the Consolidated Statement of Profit and Loss, and Consolidated Cash Flow statement for the year then ended, and notes to the consolidated financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the **Companies Act, 2013, as amended** ("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 March 31, 2019, its profit and its cash flows for the year ended on that date.

### Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Financial Statements' section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

### Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year ended March 31, 2019. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

### Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report but does not include the consolidated financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation these consolidated financial statements in the terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial

performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the directors of the holding company, as aforesaid, in preparing the consolidated financial statements, the respective Board of directors of the companies included in the Group are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the group are also responsible for overseeing the Group's financial reporting process.

**Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the Consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the holding company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the holding Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the holding company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group to express an opinion on the consolidated financial statements.

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

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

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

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

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

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the holding company and its subsidiaries so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
- d) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
- e) With respect to the adequacy of the internal financial controls over financial reporting of the holding company including its subsidiary company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's (including its subsidiary company) internal financial controls over financial reporting.
- f) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:  
  
In our opinion and to the best of our information and according to the explanations given to us, no remuneration has been paid by the Company to its directors during the year therefore provisions of section 197 of the Act does not attract.
- g) 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 Group does not have any pending litigations which would impact its financial position;
  - ii. The Group did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses;

iii. There were no amounts which required to be transferred to the Investor Education and Protection Fund by the Group.

**For Sanjay K Singhal & Co**

**Chartered Accountants**

**FRN: 024807N**

**(Sanjay Kumar Singhal)**

**Partner**

**M.No. 503475**

Place: Delhi

Dated: 22/05/2019

### **Annexure “A” to the Independent Auditor’s Report of even date on the consolidated financial statements of F Mec International Financial Services Limited**

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

In conjunction our audit of the consolidated financial statements of the company as of and for the year ended March 31, 2019, we have audited the internal financial controls over financial reporting of **F Mec International Financial Services Limited** (“hereinafter referred to as “the holding Company”) and its subsidiary company which is incorporated in India, as of that date.

#### **Management’s Responsibility for Internal Financial Controls**

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

#### **Auditor’s Responsibility**

Our responsibility is to express an opinion on the 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

**Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

**Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For Sanjay K Singhal & Co****Chartered Accountants****FRN: 024807N****(Sanjay Kumar Singhal)****Partner****M. No. 503475****Place: Delhi****Dated: 22/05/2019**

### CONSOLIDATED BALANCE SHEET AS ON 31ST MARCH 2019

|            |  | Note No. | Figures for the<br>current reporting period<br>31.03.2019 | Figures for the previous<br>reporting period<br>31.03.2018 |
|------------|--|----------|---|--|
| <b>I</b>   | <b>EQUITY AND LIABILITIES</b>  |          |   |  |
| <b>1</b>   | <b>Shareholders' Funds</b>   |          |   |  |
|            | (a) Share Capital  | 3        | 31,007,000  | 31,007,000   |
|            | (b) Reserves and Surplus   | 4        | (576,031)   | (933,598)  |
|            | (c) Money received against Share Warrants  |          | -   | -  |
|            |  |          | <b>30,430,969</b>   | <b>30,073,402</b>  |
|            | <b>Minority Interest</b>   |          | <b>2,658,200</b>  | <b>2,658,200</b>   |
| <b>(2)</b> | <b>Share Application Money pending allotment</b>                                       |          |   |  |
| <b>(3)</b> | <b>Non-Current Liabilities</b>   |          |   |  |
|            | (a) Long-term Borrowings   | 5        | -   | -  |
|            | (b) Deferred Tax Liabilities (Net)   |          | -   | -  |
|            | (c) Other Long Term Liabilities  |          | -   | -  |
|            | (d) Long-term provisions   |          | -   | -  |
| <b>(4)</b> | <b>Current Liabilities</b>   |          |   |  |
|            | (a) Short-Term Borrowings  | 6        | 131,589,637   | -  |
|            | (b) Trade Payables   | 7        |   |  |
| A.         | Total Outstanding Dues of Micro Enterprises and Small Enterprises                      |          |   |  |
| B.         | Total Outstanding Due of Creditors other than Micro Enterprises and Small Enterprises" |          | 399,670   | 289,166  |
|            | (c) Other Current Liabilities  | 8        | 718,251   | 838,195  |
|            | (d) Short-Term Provisions  | 9        | 149,318   | 125,577  |
|            |  |          | <b>132,856,876</b>  | <b>1,252,937</b>   |
|            | <b>TOTAL</b>   |          | <b>165,946,045</b>  | <b>33,984,539</b>  |
| <b>II.</b> | <b>ASSETS</b>  |          |   |  |
| <b>(1)</b> | <b>Non-Current Assets</b>  |          |   |  |
|            | (a) Property, Plant and Equipment  |          |   |  |
|            | (i) Tangible Assets  | 10       | 88,787  | 188,729  |
|            | (ii) Intangible Assets   |          | -   | -  |
|            | (iii) Capital Work-In-Progress   |          | -   | -  |
|            | (iv) Intangible Assets Under Development   |          | -   | -  |
|            |  |          | 88,787  | 188,729  |
|            | (b) Non-Current Investments  | 11       | 5,052,500   | 5,052,500  |
|            | (c) Deferred Tax Assets (net)  | 12       | 82,268  | 65,001   |
|            | (d) Long Term Loans and Advances   | 13       | -   | -  |
|            | (e) Other Non-Current Assets   |          | -   | -  |
|            |  |          | 5,134,768   | 5,117,501  |
| <b>(2)</b> | <b>Current assets</b>  |          |   |  |
|            | (a) Current Investments  |          | -   | -  |
|            | (b) Inventories  | 14       | 1,985   | 1,985  |
|            | (c) Trade Receivables  |          | -   | -  |
|            | (d) Cash and Cash Equivalents  | 15       | 1,035,414   | 952,791  |
|            | (e) Short-Term Loans and Advances  | 16       | 158,171,171   | 27,394,738   |
|            | (f) Other Current Assets   | 17       | 1,513,920   | 328,796  |
|            |  |          | <b>160,722,490</b>  | <b>28,678,309</b>  |
|            | <b>TOTAL</b>   |          | <b>165,946,045</b>  | <b>33,984,539</b>  |

Significant Accounting Policies & Notes to Accounts 1 & 2  
The schedules referred to above form an integral part Financial Statements

In terms of our attached report of even date

SANJAY K SINGHAL & Co.  
Chartered Accountants  
FRN : 024807N

(Sanjay Kumar Singhal)  
Partner  
M.NO. :503475

Place: New Delhi  
Dated: 22.05.2019

For and on behalf of

**F Mec International Financial Services Limited**

(Apoorve Bansal)  
Managing Director  
Din: 08052540

(Manoj Kumar)  
Chief Financial Officer  
PAN: AGOPT3174G

(Rohit Agrawal)  
Director  
Din-06490313

(Radhika Kathuria)  
Company Secretary & Compliance Officer  
M. No. : A53515

**CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDING 31ST MARCH 2019**

|   | Note No. | Figures for the<br>current reporting period<br>31.03.2019 | Figures for the previous<br>reporting period<br>31.03.2018 |
|---|----------|---|--|
| <b>I. Revenue From Operations</b>   | 18       | 12,505,892  | 5,137,897  |
| <b>II. Other Income</b>   | 18.1     | 162.63  | 4,517  |
| <b>III. Total Revenue (I +II)</b>   |          | <b>12,506,055</b>   | <b>5,142,414</b>   |
| <b>IV. Expenses</b>   |          |   |  |
| Cost of materials consumed  |          | -   | -  |
| Purchase of Stock-in-Trade  |          | -   | -  |
| "Changes in inventories of Finished Goods, Work-in-Progress and Stock-in-Trade" |          | -   | -  |
| Employee Benefit Expense  | 19       | 968,300   | 984,635  |
| Finance costs   | 20       | 5,655   | 1,567  |
| Depreciation and amortization expense   | 10       | 99,942  | 28,761   |
| Other Expenses  | 21       | 10,942,540  | 3,656,636  |
| <b>Total Expenses</b>   |          | <b>12,016,437</b>   | <b>4,671,599</b>   |
| <b>V. Profit before exceptional and extraordinary items and tax (III - IV)</b>  |          | 489,618   | 470,815  |
| <b>VI. Exceptional Items</b>  |          |   | -  |
| <b>VII. Profit before extraordinary items and tax (V - VI)</b>                  |          | 489,618   | 470,815  |
| <b>VIII. Extraordinary Items</b>  |          |   | -  |
| <b>IX. Profit after Extraordinary Items and before Tax (VII - VIII)</b>         |          | 489,618   | 470,815  |
| <b>Tax expense</b>  |          |   |  |
| (1) Current tax   |          | 149,318   | 125,577  |
| (2) Deferred tax  |          | (17,267)  | 139,427  |
| <b>Total Tax Expense</b>  |          | 132,051   | 265,004  |
| Profit/ (Loss) for the period from continuing operations                        |          | 357,567   | 205,811  |
| Profit/(loss) from discontinuing operations                                     |          | -   | -  |
| Tax expense of discontinuing operations   |          | -   | -  |
| Prior Period MAT Written off  |          | -   | -  |
| Prior Period Deferred Tax Adjustment  |          | -   | -  |
| <b>X. Profit/ (Loss) for the Year after Tax</b>                                 |          | 357,567   | 205,811  |
| <b>XI. Earning per Equity Share</b>   |          |   |  |
| (1) Basic   |          | 0.1153  | 0.0664   |
| (2) Diluted   |          | 0.1153  | 0.0664   |

Significant Accounting Policies & Notes to Accounts 1 & 2  
The schedules referred to above form an integral part Financial Statements

In terms of our attached report of even date

For and on behalf of

SANJAY K SINGHAL & Co.  
Chartered Accountants  
FRN : 024807N

**F Mec International Financial Services Limited**

(Sanjay Kumar Singhal)  
Partner  
M.NO. :503475

(Apoorve Bansal)  
Managing Director  
Din: 08052540

(Rohit Agrawal)  
Director  
Din-06490313

Place: New Delhi  
Dated: 22.05.2019

(Manoj Kumar)  
Chief Financial Officer  
PAN: AGOPT3174G

(Radhika Kathuria)  
Company Secretary & Compliance Officer  
M. No. : A53515

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2019**

|   | For the year ended<br>March 31, 2019 | For the year ended<br>March 31, 2018 |
|---|--------------------------------------|--------------------------------------|
| <b>A. Cash Flow from Operating Activities</b>               |                                      |                                      |
| Net profit before tax and extraordinary items               | 489,618                              | 470,815                              |
| Adjustment for:   |                                      |                                      |
| Depreciation  | 99,942                               | 28,761                               |
| <b>Operating profit before working capital changes</b>      | <b>589,559</b>                       | <b>499,576</b>                       |
| Adjustment for:   |                                      |                                      |
| Loans and Advances  | (130,776,433)                        | 33,739                               |
| Trade Payables  | 110,504                              | -                                    |
| Other Current Liabilities                                   | (119,944)                            | 335,674                              |
| Short Term Provisions                                       | -                                    | -                                    |
| Trade Receivables   | -                                    | -                                    |
| Other Current Assets  | (1,185,124)                          | (24,441)                             |
| <b>Cash generated from operations</b>                       | <b>(131,381,437)</b>                 | <b>844,549</b>                       |
| <b>Interest paid</b>  | <b>-</b>                             | <b>-</b>                             |
| Tax Paid  | -                                    | -                                    |
| Income Tax Adjustment                                       | (125,577)                            | (110,352)                            |
| <b>NET CASH FROM OPERATING ACTIVITIES (A)</b>               | <b>(131,507,014)</b>                 | <b>734,197</b>                       |
| <b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>               |                                      |                                      |
| Capital advance   | -                                    | -                                    |
| Purchase of Investment                                      | -                                    | -                                    |
| Purchase of Fixed Assets                                    | -                                    | (217,490)                            |
| Long Term Loan & Advances                                   | -                                    | (501,818)                            |
| Non-Current Investments                                     | -                                    | 100,000                              |
| <b>NET CASH USED IN INVESTING ACTIVITIES (B)</b>            | <b>-</b>                             | <b>(619,308)</b>                     |
| <b>C. CASH FLOW FROM FINANCE ACTIVITIES</b>                 |                                      |                                      |
| (Decrease)/increase in Equity Share Capital                 | -                                    | -                                    |
| (Decrease)/increase in Securities Premium                   | -                                    | -                                    |
| (Decrease)/increase in Preference Shares                    | -                                    | -                                    |
| (Decrease)/increase in Long Term Borrowings                 | -                                    | (133,739)                            |
| (Decrease)/increase in Short Term Borrowings                | 131,589,637                          | -                                    |
| (C)   | <b>131,589,637</b>                   | <b>(133,739)</b>                     |
| <b>D. NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)</b> | <b>82,623</b>                        | <b>(18,850)</b>                      |
| Cash and cash equivalents opening balance                   | 952,791                              | 971,641                              |
| Cash and cash equivalents closing balance                   | 1,035,414                            | 952,791                              |

In terms of our attached report of even date

SANJAY K SINGHAL & Co.  
Chartered Accountants  
FRN : 024807N

(Sanjay Kumar Singhal)  
Partner  
M.NO. :503475

Place: New Delhi  
Dated: 22.05.2019

For and on behalf of

**F Mec International Financial Services Limited**

(Apoorve Bansal)  
Managing Director  
Din: 08052540

(Manoj Kumar)  
Chief Financial Officer  
PAN: AGOPT3174G

(Rohit Agrawal)  
Director  
Din-06490313

(Radhika Kathuria)  
Company Secretary & Compliance Officer  
M. No. : A53515



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## CONSOLIDATED NOTES FORMING INTEGRAL PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2019

### 1. CORPORATE INFORMATION

FMEC International Financial Services Limited (the company) is a Limited company domiciled in India and incorporated under provision of Companies Act, 1956 as on 7th June 1993 and is Holding of YDS Securities Private Limited. The company is engaged in the business of Financing and providing Consultancy.

### 2. SIGNIFICANT ACCOUNTING POLICIES

#### 2.1 BASIS OF PREPARATION OF ACCOUNTS

The financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles ("GAAP") under the historical cost convention on the accrual basis. GAAP comprises mandatory accounting standards as specified under section 133 of the companies Act 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016. The Financial Statements has been prepared on the accrual basis and under the historical cost convention. The managements evaluate all recently issued or revised accounting standards on a going-concern basis.

#### CURRENT AND NON-CURRENT CLASSIFICATION

The financial statements have been prepared on accrual and going concern basis. All assets and liabilities have been classified as current or non current as per the Company's normal operating cycle and other criteria as set out in the Division II of Schedule III to the Companies Act, 2013. Based on the nature of products and the time between acquisition of assets for and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

#### 2.2 USE OF ESTIMATES AND JUDGMENTS

The estimates and judgments used in the preparation of the financial statements are continuously evaluated by the Company and are based on historical experience and various other assumptions and factors (including expectations of future events) that the Company believes to be reasonable under the existing circumstances. Differences between actual results and estimates are recognised in the period in which the results are known/ materialised.

The said estimates are based on the facts and events, that existed as at the reporting date, or that occurred after that date but provide additional evidence about conditions existing as at the reporting date.

#### 2.3 REVENUE RECOGNITION

Revenue is recognized on mercantile basis to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.

#### 2.4 PROPERTY, PLANT AND EQUIPMENT

##### i) Tangible Fixed Assets

Depreciation is provided on a pro-rata basis on the straight line method based on estimated useful life prescribed under Schedule II to the Companies Act, 2013 with the exception of the following:

- Depreciation on assets costing Rs. 5,000 or less is provided @100% over a period of one year.
- The residual values, useful lives and method of depreciation of property, plant and equipment is reviewed at each financial year end and adjusted prospectively, if appropriate.

| Description of Asset | Estimated useful life as per schedule II |
|----------------------|--|
| Air Conditioner      | 15                                       |
| Computer & Hardware  | 3  |
| Refrigerator         | 5  |

## 2.5 INTANGIBLE ASSETS

The Company has neither acquired nor having any Intangible Assets as on the date of Balance Sheet.

## 2.6 INVESTMENT

Investments are valued at cost.

## 2.7 TAX EXPENSES

The tax expense for the period comprises current and deferred tax. Tax is recognised in Statement of Profit and Loss, except to the extent that it relates to items recognised in the comprehensive income or in equity. In which case, the tax is also recognised in other comprehensive income or equity.

### Current Tax:

Provision for Taxation is ascertained on the basis of assessable profit computed in accordance with the provisions of Income Tax Act, 1961.

### Minimum Alternate Tax (MAT) Credit:

Minimum Alternate Tax credit is recognized, as deferred tax asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in guidance note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the Profit and Loss Account and shown as MAT Credit Entitlement under Loans & Advances. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal Income Tax during the specified period.

### Deferred Tax:

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of Deferred tax liabilities and assets are reviewed at the end of each reporting period.

## 2.8 EMPLOYEE BENEFITS

### Short Term Employee Benefits:

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits and the undiscounted amount of such employee benefits are recognised in Statement of Profit and Loss in the period in which the employee renders the related services. These benefits include salaries, wages, bonus, performance incentives etc.

### Defined Benefit Plan

Gratuity and long-term compensated absences are provided for based on actuarial valuation carried out at the close of each period. The actuarial valuation is done by an Independent Actuary as per projected unit credit method.

For defined benefit plans, the amount recognised as 'Employee benefit expenses' in the Statement of Profit and Loss is the cost of accruing employee benefits promised to employees over the year and the costs of individual events such as past/future service benefit changes and settlements (such events are recognised immediately in the Statement of Profit and Loss). The amount of net interest

expense calculated by applying the liability discount rate to the net defined benefit liability or asset is charged to 'Employee benefits expense' in the Statement of Profit and Loss. Any differences between the interest income on plan assets and the return actually achieved, and any changes in the liabilities over the year due to changes in actuarial assumptions or experience adjustments within the plans, are recognised immediately in 'Other comprehensive income' and subsequently not reclassified to the Statement of Profit and Loss.

#### Defined Contribution Plan

Contributions to defined contribution schemes such as employee provident fund, superannuation scheme, employee pension scheme etc. are charged as an expense based on the amount of contribution required to be made as and when services are rendered by the employees. Company's provident fund contribution, in respect of certain employees, is made to a government administered fund and charged as an expense to the Statement of Profit and Loss. The above benefits are classified as Defined Contribution Schemes as the Company has no further defined obligations beyond the monthly contributions.

## 2.9 SEGMENT REPORTING

Segment information for the year ended 31st March, 2019 as per accounting standard issued by the institute of Chartered Accountants of India is as under.

Previous year's figures are indicated in brackets.

Amt in Lakhs

| Segment Reporting  | Sale | Loan | Unallocable | Total   |
|--|------|------|-------------|---------|
| Segment Revenue[External]  | -    | -    | 125.06      | 125.06  |
|  | -    | -    | (51.42)     | (51.42) |
| Segment Revenue[Internal]  | -    | -    | -           | -       |
|  | -    | -    | -           | -       |
| <b>Total Revenue</b>   | -    | -    | 125.06      | 125.06  |
|  | -    | -    | (51.42)     | (51.42) |
| <b>Segment Result</b>  |      |      |             | -       |
| [Profit/Loss before Depreciation, Amortization, Interest, Tax and Unallocable, Overheads, Financial Charges] |      |      |             | (5.30)  |
| <b>Less: Depreciation and Amortization</b>   |      |      |             | 1.00    |
|  |      |      |             | (0.29)  |
| <b>Less: Interest and Financial charges</b>  |      |      |             | 0.06    |
|  |      |      |             | (0.01)  |
| Profit/Loss before taxation  |      |      |             | 4.90    |
|  |      |      |             | (5.00)  |
| Provision for taxation (Current)   |      |      |             | 1.49    |
|  |      |      |             | (1.26)  |
| Provision for Taxation (Deferred)  |      |      |             | -0.17   |
|  |      |      |             | (1.39)  |
| Net Profit after Tax   |      |      |             | 3.58    |
|  |      |      |             | (2.35)  |

Assets used in the company's business or liabilities contracted have not been identified to any of the reportable segment as all the assets and services are used interchangeably between segments. The company believes that it is currently not practicable to provide segment disclosure relating to total assets and liabilities since a meaningful segregation of available data is onerous.

## 2.10 CASH FLOW STATEMENT

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

## 2.11 EARNINGS PER SHARE

Earning Per Share (EPS) is 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 Earning Per share, the Net Profit or Loss for the period attributable to equity shareholders is divided by the Weighted Average Number of shares outstanding during the period after adjusting for the effects of all dilutive potential equity shares.

| PARTICULARS  | 2018-19 | 2017-18 |
|--|---------|---------|
| Net Profit after Tax attributable to Equity Shareholders (Rs.) | 357567  | 205811  |
| Weighted Average number of Equity Shares                       | 3100700 | 3100700 |
| Basic Earnings per Share (Face Value Rs. 10) (Rs.)             | 0.1153  | 0.0664  |

## 2.12 PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS PROVISIONS

A provision is recognized when an enterprise has a present obligation as a result of past event. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

### CONTINGENT LIABILITIES

A contingent liability is disclosed where, as a result of past events, there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow or resources is remote, no provision or disclosure is made.

### CONTINGENT ASSETS

"Contingent Assets are neither recognized nor disclosed. Provisions, Contingent Liabilities and Contingent Assets are reviewed at each Balance Sheet date."

## 2.13 FINANCIAL INSTRUMENTS

### a) FINANCIAL ASSETS

"Financial assets are recognised when the Company becomes a party to the contractual provisions of the instrument. On initial recognition, a financial asset is recognised at fair value, in case of Financial assets which are recognised at fair value through profit and loss (FVTPL), its transaction cost are recognised in the statement of profit and loss. In other cases, the transaction cost are attributed to the acquisition value of the financial asset. Financial assets are subsequently classified and measured at:-

- amortised cost
- fair value through profit and loss (FVTPL).

### INVESTMENTS IN SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES

The Company has accounted for its investments in subsidiaries, associates and joint venture at cost

**IMPAIRMENT OF FINANCIAL ASSETS**

In accordance with Ind AS 109, the Company uses 'Expected Credit Loss' (ECL) model, for evaluating impairment of financial assets other than those measured at fair value through profit and loss (FVTPL).

The Company measures the expected credit loss associated with its assets based on historical trend, industry practices and the business environment in which the entity operates or any other appropriate basis. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

**b). FINANCIAL LIABILITIES**

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the amortised cost unless at initial recognition, they are classified as fair value through profit and loss.

Financial liabilities are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

**2.14 AUDITOR'S REMUNERATION**

Amount (In Rs.)

| <b>PARTICULARS</b>  | <b>2018-19</b> | <b>2017-18</b> |
|---------------------|----------------|----------------|
| Statutory Audit Fee | 50000          | 53750          |
| In other capacity   | -              | -              |
| <b>TOTAL</b>        | <b>50000</b>   | <b>53750</b>   |

**2.15 RELATED PARTY DISCLOSURE****NAMES OF RELATED PARTIES**

a) The company is Holding of YDS Securities Pvt. Ltd.

b) Key Management Personnel:

| <b>Name</b>          | <b>Designation</b>      |
|----------------------|-------------------------|
| Mr. Apoorve Bansal   | Managing Director       |
| Mr. Manoj Kumar      | Chief Financial Officer |
| Ms. Radhika Kathuria | Company Secretary       |

2.16 In the opinion of the directors, current assets and advances have a value on realization in the ordinary course of the business at least equal to the amount at which these have been stated in the Balance Sheet.

2.17 Balances of Sundry Creditors/Debtors are subject to confirmation/reconciliation, which in the opinion of the management is not significant, adjustments, if any will be carried out as and when settled. However accounts have been reconciled on the basis of materiality.

2.18 There is no contingent liability as Certified by the management of the company.

2.19 All the known liabilities have been provided for and there are no disputed liabilities as confirmed by the management of the company.

**CONSOLIDATED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDING 31ST MARCH 2019**

| Note No. | Particulars  | Figures for the current   |                   | Figures for the previous  |                   |
|----------|--|---------------------------|-------------------|---------------------------|-------------------|
|          |  | reporting period 31/03/19 |                   | reporting period 31/03/18 |                   |
| <b>3</b> | <b>Share Capital</b>   |                           |                   |                           |                   |
|          | <b>Authorised</b>  |                           |                   |                           |                   |
|          | 3500000(3500000) Equity Shares of ₹ 10/- Par Value               |                           | 35,000,000        |                           | 35,000,000        |
|          |  |                           | <b>35,000,000</b> |                           | <b>35,000,000</b> |
|          | <b>Issued</b>  |                           |                   |                           |                   |
|          | 3100700(3100700) Equity Shares of ₹ 10/- Par Value               |                           | 31,007,000        |                           | 31,007,000        |
|          |  |                           | <b>31,007,000</b> |                           | <b>31,007,000</b> |
|          | <b>Subscribed</b>  |                           |                   |                           |                   |
|          | 3100700(3100700) Equity Shares of ₹ 10/- Par Value               |                           | 31,007,000        |                           | 31,007,000        |
|          |  |                           | <b>31,007,000</b> |                           | <b>31,007,000</b> |
|          | <b>Paidup</b>  |                           |                   |                           |                   |
|          | 3100700 (3100700) Equity Shares of ₹ 10/- Par Value fully paidup |                           | 31,007,000        |                           | 31,007,000        |
|          |  |                           | <b>31,007,000</b> |                           | <b>31,007,000</b> |

**3.1 Detail of shareholding more than 5% of the shareholding**

| Particular       | 31/03/2019 | % Held | 31/03/2018 | % Held |
|------------------|------------|--------|------------|--------|
| Manoj Kumar Jain | 326,050    | 10.52% | 326,050    | 10.52% |
| Pankaj Kumar     | 235,625    | 7.60%  | 235,625    | 7.60%  |

**3.2 Reconciliation of shares outstanding at the beginning and at the end of the reporting date**

| Particular                         | 31/03/2019       |                   | 31/03/2018       |                   |
|------------------------------------|------------------|-------------------|------------------|-------------------|
|                                    | No. of Shares    | Amount            | No. of Shares    | Amount            |
| Number of Shares at the beginning  | 3,100,700        | 31,007,000        | 3,100,700        | 31,007,000        |
| Add: Issue                         | -                | -                 | -                | -                 |
| Less: Bought Back                  | -                | -                 | -                | -                 |
| Add: Other                         | -                | -                 | -                | -                 |
| <b>Number of Shares at the end</b> | <b>3,100,700</b> | <b>31,007,000</b> | <b>3,100,700</b> | <b>31,007,000</b> |

| 4  | <b>Reserve and Surplus</b>   | <b>31/03/2019</b>  | <b>31/03/2018</b>  |
|----|--|--------------------|--------------------|
|    | <b>Surplus</b>   |                    |                    |
|    | Balance B/f  | (1,857,098)        | (2,062,910)        |
|    | Amount Transferred From Statement of P&L   | 357,567            | 205,811            |
|    | Amount Transferred from Sundries   | -                  | -                  |
|    |  | <b>(1,499,531)</b> | <b>(1,857,098)</b> |
|    | Share Premium Account  | 923,500            | 923,500            |
|    |  | 923,500            | 923,500            |
|    | <b>Total</b>   | <b>(576,031)</b>   | <b>(933,598)</b>   |
| 5. | <b>Long Term Borrowings</b>  | <b>31/03/2019</b>  | <b>31/03/2018</b>  |
|    | Loan and Advances From Subsidiary Company & Other Parties                              |                    |                    |
|    | <b>Secured Loans</b>   | -                  | -                  |
|    | <b>Unsecured Loans:-</b>   | -                  | -                  |
|    | <b>Total</b>   | -                  | -                  |
| 6  | <b>Short Term Borrowings</b>   | <b>31/03/2019</b>  | <b>31/03/2018</b>  |
|    | Loan and Advances From Subsidiary Company & Other Parties                              |                    |                    |
|    | <b>Secured Loans:-</b>   |                    |                    |
|    | Tata Capital Financial Services Limited  | 128,940,767        | -                  |
|    | <b>Unsecured Loans:-</b>   |                    |                    |
|    | Sapling Developers Pvt Ltd   | 2,648,870          | -                  |
|    |  | -                  | -                  |
|    |  | -                  | -                  |
|    | <b>Total</b>   | <b>131,589,637</b> | -                  |
| 7  | <b>Trade Payables</b>  | <b>31/03/2019</b>  | <b>31/03/2018</b>  |
|    | Total Outstanding Dues of Micro Enterprises and Small Enterprises                      | -                  | -                  |
|    | Total Outstanding Dues of Creditors other than Micro Enterprises and Small Enterprises |                    |                    |
|    | 4A Securities Limited  | 357,393            | -                  |
|    | Transunion Cibil Limited   | 5,900              | 5,900              |
|    | J.K. Courier Services  | 17,494             | -                  |
|    | Zeal Advertising Pvt Ltd   | 18,884             | 17,266             |
|    | Chandan Sharma   | -                  | 266,000            |
|    | <b>Total</b>   | <b>399,670</b>     | <b>289,166</b>     |

| 8. Other Current Liabilities   | 31/03/2019       | 31/03/2018       |
|--|------------------|------------------|
| <b>Expenses Payables</b>   |                  |                  |
| Audit Fees Payable   | 107,500          | 107,500          |
| CGST Payable   | -                | 1,036            |
| SGST Payable   | -                | 1,036            |
| TDS Payable  | 361,966          | 14,000           |
| Expenses Payables (as per annexure 1)                                    | 248,785          | 714,623          |
| <b>Total</b>   | <b>718,251</b>   | <b>838,195</b>   |
| 9 Short-Term Provisions  | 31/03/2019       | 31/03/2018       |
| Provision for Income Tax   | 149,318          | 125,577          |
| <b>Total</b>   | <b>149,318</b>   | <b>125,577</b>   |
| 11. Non Current Investments  | 31/03/2019       | 31/03/2018       |
| <b>Investments</b>   |                  |                  |
| <b>Unquoted</b>  |                  |                  |
|  | -                | -                |
| <b>Investments (Quoted)</b>  |                  |                  |
| <b>Equity Shares</b>   |                  |                  |
| Sky Line India Ltd.  | 222,500          | 222,500          |
| Capfin India Ltd.  | 1,000,000        | 1,000,000        |
| <b>Investments (Unquoted)</b>  |                  |                  |
| Sonia Finvest Pvt. Ltd.  | 2,100,000        | 2,100,000        |
| Genius Finvest Pvt. Ltd.   | 1,730,000        | 1,730,000        |
| <b>Total</b>   | <b>5,052,500</b> | <b>5,052,500</b> |
| 12. Deferred Tax Assets/ (Liability)                                     | 31/03/2019       | 31/03/2018       |
| Deferred Tax Assets  | 82,268           | 65,001           |
| <b>Total</b>   | <b>82,268</b>    | <b>65,001</b>    |
| 13. Long-term loans and advances   | 31/03/2019       | 31/03/2018       |
| <b>Long Term Loans and Advances to be recoverable in cash or in kind</b> |                  |                  |
| <b>Unsecured Considered good</b>   |                  |                  |
|  | -                | -                |
| <b>Total</b>   | <b>-</b>         | <b>-</b>         |
| 14. Inventories  | 31/03/2019       | 31/03/2018       |
| Other Closing Stock  | 1,985            | 1,985            |
|  | <b>1,985</b>     | <b>1,985</b>     |



| <b>15. Cash and cash equivalents</b>     | <b>31/03/2019</b>  | <b>31/03/2018</b> |
|--|--------------------|-------------------|
| Cash in Hand                             | 640,488            | 446,350           |
| Balance With Banks                       |                    |                   |
| Current Account                          | 394,926            | 506,441           |
| <b>Total</b>                             | <b>1,035,414</b>   | <b>952,791</b>    |
| <b>16. Short-term loans and advances</b> | <b>31/03/2019</b>  | <b>31/03/2018</b> |
| <b>Other Advances</b>                    |                    |                   |
| Advance for Shares                       | 2,841,200          | 2,841,200         |
| 4A Financial Securities Limited          | 101,342,748        | -                 |
| ACE Integrated Solutions Limited         | 1,058,142          | -                 |
| Aman Drugs Pvt Ltd                       | 1,108,000          | 1,054,094         |
| Arun Bhatt                               | 1,468,630          | 1,318,630         |
| ASBuildpro Pvt. Ltd.                     | 1,802,044          | 1,730,044         |
| Avtar Instalments Pvt Ltd                | 25,645,223         | -                 |
| Bhagyashree Industries                   | 1,167,202          | 1,059,202         |
| Charanjeet Bawa                          | 2,000,000          | 2,000,000         |
| Invision Entertainment Pvt Ltd           | 593,695            | 539,695           |
| IT Serve Global                          | 1,687,147          | 1,646,647         |
| Karo Coils Pvt. Ltd.                     | 661,340            | 3,386,100         |
| Meenakshi Bhatt                          | 885,000            | 795,000           |
| Pahwa Buildtech Private Limited          | 529,460            | -                 |
| Paras Green                              | 2,844,500          | 2,574,500         |
| Rheathe Trust                            | 1,012,356          | -                 |
| Senorita Enterprises Pvt Ltd             | 2,365,291          | 2,189,626         |
| Shree Shitla Portfolio Pvt Ltd           | 1,657,600          | 1,600,000         |
| Shri Varda Pacific Securities Limited    | 2,781,593          | -                 |
| Suresh Pal Singh                         | 3,500,000          | 3,500,000         |
| Sweta Singh                              | 1,220,000          | 1,160,000         |
| <b>Total</b>                             | <b>158,171,171</b> | <b>27,394,738</b> |

| <b>17. Other Current Assets</b>       | <b>31/03/2019</b> | <b>31/03/2018</b> |
|---------------------------------------|-------------------|-------------------|
| CGST                                  | 16,537            | 10,930            |
| IGST                                  | 96,584            | 1,800             |
| SGST                                  | 16,537            | 24,080            |
| TDS A.Y. 2018-19                      | 166,409           | 291,986           |
| TDS A.Y. 2019-20                      | 1,217,853         | -                 |
| <b>Total</b>                          | <b>1,513,920</b>  | <b>328,796</b>    |
| <b>18. Revenue from operations</b>    | <b>31/03/2019</b> | <b>31/03/2018</b> |
| <b>Income from Services</b>           |                   |                   |
| Consultancy & Commission Income       | -                 | 4,000,000         |
| Interest Income                       | 12,490,892        | 1,035,897         |
| Processing Fee                        | 15,000            | 102,000           |
|                                       | <b>12,505,892</b> | <b>5,137,897</b>  |
| <b>18.1 Other Income</b>              | <b>31/03/2019</b> | <b>31/03/2018</b> |
| Short & Excess                        | 163               | -                 |
| Interst Received on Income Tax Refund | -                 | 4,517             |
|                                       | <b>163</b>        | <b>4,517</b>      |
| <b>19 Employee Benefit Expenses</b>   | <b>31/03/2019</b> | <b>31/03/2018</b> |
| Salary                                | 968,300           | 984,635           |
|                                       | <b>968,300</b>    | <b>984,635</b>    |
| <b>20 Finance Costs</b>               | <b>31/03/2019</b> | <b>31/03/2018</b> |
| Bank Charges                          | 5,655             | 1,567             |
|                                       | <b>5,655</b>      | <b>1,567</b>      |

| 17. Other Expenses                                    | 31/03/2019        | 31/03/2018       |
|---|-------------------|------------------|
| Advertisement Expenses                                | 59,904            | 222,300          |
| Annual Fees   | 22,611            | 31,259           |
| Auditor's Fees  | 50,000            | 53,750           |
| Bad Debts   | -                 | 1,803,387        |
| Brokerage & Related Securities & Commodities Services | 316,304           | -                |
| Commission Paid                                       | -                 | 280,000          |
| Consultancy Fee                                       | -                 | 500,000          |
| Conveyance  | 5,683             | 5,084            |
| Courier Expenses                                      | 31,110            | 32,568           |
| Diwali Bonus  | -                 | 43,500           |
| E- Voting Charges                                     | 10,000            | 11,650           |
| Filing Fee- BSE                                       | -                 | 128,962          |
| GST Expenses  | 36,018            | -                |
| Interest On TDS                                       | 5,385             | 78               |
| Interest Payable                                      | 9,997,063.77      | -                |
| Issuer Fee  | 9,000             | 9,000            |
| Listing Fees  | 250,000           | 250,000          |
| Meeting Fee   | 1,507             | 25,000           |
| Office Expenses                                       | -                 | 12,314           |
| Other Expenses  | 2,379             | 4,749            |
| Penalty   | -                 | 200              |
| Printing & Stationary                                 | 14,746            | 48,652           |
| Professional Fee                                      | 36,400            | 61,249           |
| Rent  | 48,000            | 48,000           |
| Repair & Maintenance                                  | -                 | 13,625           |
| ROC Charges   | 29,106            | 7,755            |
| Swachh Bharat Cess Tax                                | -                 | 1,549            |
| Telephone & Internet Expenses                         | 13,324            | 22,376           |
| Travelling Expenses                                   | -                 | 35,630           |
| Website Designing Expenses                            | 4,000             | 4,000            |
|   | <b>10,942,540</b> | <b>3,656,636</b> |

**NOTE : 10 Tangible Assets**

| PARTICULARS         | Gross Block             |                          |                                |                         | Depreciation            |                           |                                       |                         | Net Block               |                         |
|---------------------|-------------------------|--------------------------|--------------------------------|-------------------------|-------------------------|---------------------------|---------------------------------------|-------------------------|-------------------------|-------------------------|
|                     | Balance as on 01 042018 | Addition During the year | Disposal/Sales during the year | Balance As At 31 032019 | Balance up to 31 032018 | Depreciation for the year | Depreciation written back or transfer | Balance up to 31 032019 | Balance as on 31 032019 | Balance as on 31 032018 |
| Air Conditioner     | 85,000                  | -                        | -                              | 85,000                  | 5,354                   | 15,717                    | -                                     | 21,071                  | 63,929                  | 79,646                  |
| Computer & Hardware | 109,990                 | -                        | -                              | 109,990                 | 19,879                  | 73,541                    | -                                     | 93,420                  | 16,570                  | 90,111                  |
| Office Equipment    | 22,500                  | -                        | -                              | 22,500                  | 3,529                   | 10,683                    | -                                     | 14,212                  | 8,288                   | 18,971                  |
| <b>Total</b>        | <b>217,490</b>          |                          |                                | <b>217,490</b>          | <b>28,761</b>           | <b>99,941</b>             |                                       | <b>128,702</b>          | <b>88,788</b>           | <b>188,729</b>          |

**Annexure 1**

**Expense Payable**

| Particulars                               | Year ended 31/03/2019 | Year ended 31/03/2018 |
|---|-----------------------|-----------------------|
| Airtel                                    | -                     | 106                   |
| A. K. VERMA & CO.                         | 189,685               | 289,685               |
| Expenses Payable                          | -                     | 35,630                |
| Manoj Kumar- Expenses on Behalf of Office | -                     | 685                   |
| Rent Payable                              | -                     | 24,000                |
| Salary Payable                            | -                     | 71,250                |
| Salary Payable - Anjan Jha                | -                     | 97,600                |
| Salary Payable - Dheeraj Kumar            | -                     | 25,000                |
| Salary Payable - Manoj Kumar              | 34,100                | 64,000                |
| Salary Payable - Radhika Kathuria         | 25,000                | 25,000                |
| Salary Payable - Richa Agarwal            | -                     | 81,667                |
| <b>Grand Total</b>                        | <b>248,785</b>        | <b>714,623</b>        |

**F MEC INTERNATIONAL FINANCIAL SERVICES LIMITED**

1Ind Floor, Central Bank Building, 13-B, Netaji Subhash Marg, Daryaganj, Delhi-110002

**CALCULATION OF MINORITY INTERST**

 TOTAL NO. SHARES OF YDS 1,092,350 1,092,350
**MINORITY INTEREST**
**ON ACCOUNT OF PAID UP CAPITAL**

|                        | <b>31/03/2019</b> | <b>% Held</b> | <b>31/03/2018</b> | <b>% Held</b> |
|------------------------|-------------------|---------------|-------------------|---------------|
| OTHER SHAREHOLDERS     | 50,820            | 4.65%         | 50,820            | 4.65%         |
| Mrs. Rachna Aggarwal   | 107,500           | 9.84%         | 107,500           | 9.84%         |
| Mrs. Sangeeta Aggarwal | 107,500           | 9.84%         | 107,500           | 9.84%         |
|                        | 265,820           | 24.33%        | 265,820           | 24.33%        |
| Face Value             | 10                |               | 10                |               |
|                        | 2,658,200         | -             | 2,658,200         |               |

**SUBSIDAIRY'S PROFIT**
**MI'S SHARE IN CURRENT YEAR'S PROFIT**
**I ON ACCOUNT OF PROFIT FOR THE CURRENT YEAR**

|                                   |         |        |         |        |
|-----------------------------------|---------|--------|---------|--------|
| CURRENT YEAR PROFIT               | 205,811 | 50,083 | 210,609 | 51,251 |
| MI'S SHARE IN CURRENT YEAR PROFIT |         |        |         |        |

**II ON ACCOUNT OF OPENING PROFIT & LOSS A/C**

|  |             |           |             |           |
|--|-------------|-----------|-------------|-----------|
|  | (2,062,910) | (502,003) | (2,273,519) | (553,254) |
|--|-------------|-----------|-------------|-----------|

**III ON ACCOUNT OF SHARE PREMIUM**

|  |         |         |         |         |
|--|---------|---------|---------|---------|
|  | 923,500 | 224,731 | 923,500 | 224,731 |
|--|---------|---------|---------|---------|

|  |           |           |             |           |
|--|-----------|-----------|-------------|-----------|
|  | (933,598) | (227,188) | (1,139,410) | (277,272) |
|--|-----------|-----------|-------------|-----------|

# ROUTE MAP FOR AGM

