

# ANNUAL REPORT 2017-18



**RSD FINANCE LIMITED**



# Corporate Information

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## RSD FINANCE LIMITED

Registered Office:

224, AJC Bose Road, Krishna Building  
9th Floor, Room No – 902  
Kolkata, West Bengal - 700 017  
Tel: 033 - 6900 0200  
Email address: rsdfinance.ltd@gmail.com  
Website: www.rsdfinancelimited.com

Administrative Office:

C/o The Alcor Hotel  
H. No. – 4, Opp. Indian Oil Petrol Pump  
Ramdas Bhatta, Bistupur  
Jamshedpur, Jharkhand – 831 001  
Tel: +91 7280009199

Factory Office:

NS – 13, 2nd Phase  
Industrial Area, Adityapur  
Saraikela - Kharsawan  
Jamshedpur, Jharkhand – 832 109

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## STATUTORY AUDITORS

M/s. Prasad Kumar & Co.  
Chartered Accountants  
1st Floor, Arvinder Complex  
2, S.B. Shop Area  
R – Road, Bistupur  
Jamshedpur - 831001

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## SECRETARIAL AUDITORS

Mr. Sital Prasad Swain  
Practicing Company Secretary  
Room No – 2, 4th Floor  
Meghdeep Tower (Besides South Park Hotel)  
Bistupur, Jamshedpur, Jharkhand – 831 001

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## CORPORATE IDENTITY NUMBER

L17222WB1963PLC025749

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## REGISTRAR & TRANSFER AGENTS

M/s. S. K. Infosolutions Pvt. Ltd  
34/1A, Sudhir Chatterjee Street  
Kolkata, West Bengal – 700 006  
Tel: 033-22196797/4815  
Email address: skcdilip@gmail.com

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## INTERNAL AUDITORS

M/s. Heerwal & Associates  
Mr. Jay Prakash Heerwal  
Chartered Accountants  
G B Galaxy, 3/5, P B Road  
Jugsalai, Jamshedpur, Jharkhand – 831 006

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## BANKERS

IDBI Bank Limited  
Kotak Mahindra Bank Limited  
Axis Bank Limited  
Bank of India  
State Bank of India  
Punjab National Bank



## Corporate information continues

### BOARD OF DIRECTORS (as on March 31, 2018)

Mr. Rajeev Singh Dugal	(DIN: 00052037)	Managing Director
Mr. Sushil Kumar Khowala	(DIN: 00224539)	Independent Director
Mr. Malkeet Singh Saini	(DIN: 02592649)	Independent Director
Ms. Upneet Dugal	(DIN: 07680726)	Executive Director
Mr. Jayesh Taunk	(DIN: 07936303)	Additional Non-Executive-Independent Director

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### BOARD COMMITTEES

#### Audit Committee

Mr. Sushil Kumar Khowala - Chairman  
Mr. Rajeev Singh Dugal – Member  
Mr. Jayesh Taunk - Member

#### CHIEF FINANCIAL OFFICER

Mr. Rechan Chhabra

#### Stakeholders Relationship Committee

Mr. Sushil Kumar Khowala - Chairman  
Mr. Rajeev Singh Dugal – Member  
Mr. Malkeet Singh Saini - Member

#### COMPANY SECRETARY & COMPLIANCE OFFICER

Ms. Puja Choudhary

#### Nomination and Remuneration Committee

Mr. Malkeet Singh Saini - Chairman  
Mr. Sushil Kumar Khowala - Member  
Mr. Jayesh Taunk - Member

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### LISTING OF EQUITY SHARES

#### Corporate Social Responsibility Committee

Mr. Rajeev Singh Dugal – Chairman  
Mr. Sushil Kumar Khowala - Member  
Ms. Upneet Dugal - Member

#### Bombay Stock Exchange Limited

Floor 25, Phiroze Jeejeebhoy Towers,  
Dalal Street, Fort, Mumbai 400 001  
SCRIP CODE – 539875

#### Calcutta Stock Exchange Limited

7, Lyons Range, Kolkata – 700 001  
SCRIP CODE - 28123

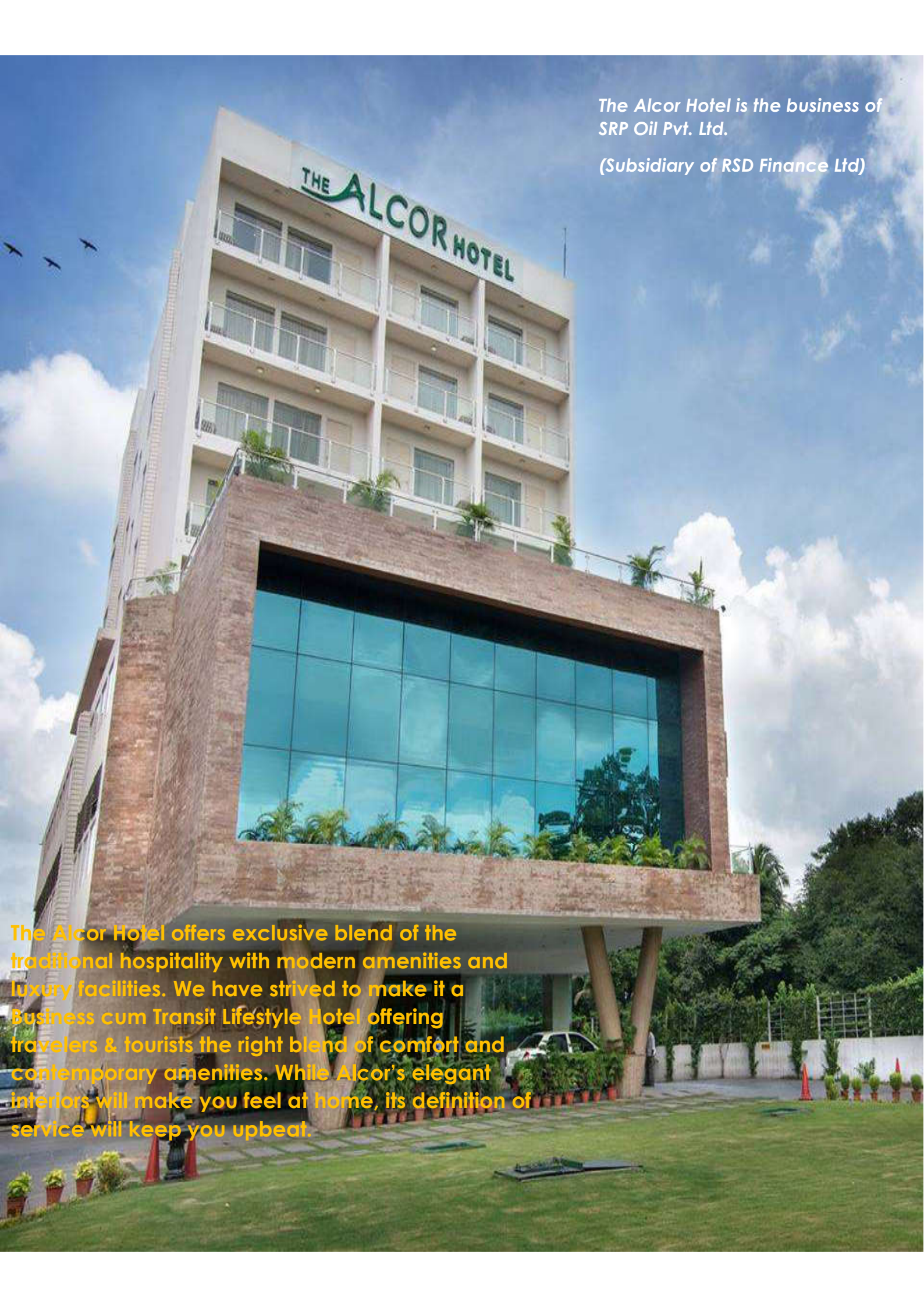


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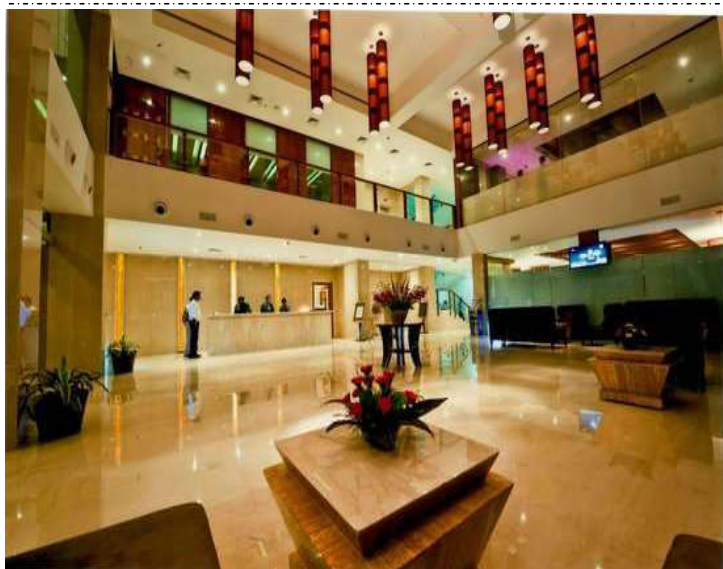
A photograph of The Alcor Hotel, a multi-story building with a modern design. The upper floors are white with balconies, and the lower section features a large glass facade set within a brick frame. The hotel is surrounded by greenery and a clear blue sky with some clouds.

*The Alcor Hotel is the business of  
SRP Oil Pvt. Ltd.*

*(Subsidiary of RSD Finance Ltd)*

**The Alcor Hotel offers exclusive blend of the traditional hospitality with modern amenities and luxury facilities. We have strived to make it a Business cum Transit Lifestyle Hotel offering travelers & tourists the right blend of comfort and contemporary amenities. While Alcor's elegant interiors will make you feel at home, its definition of service will keep you upbeat.**





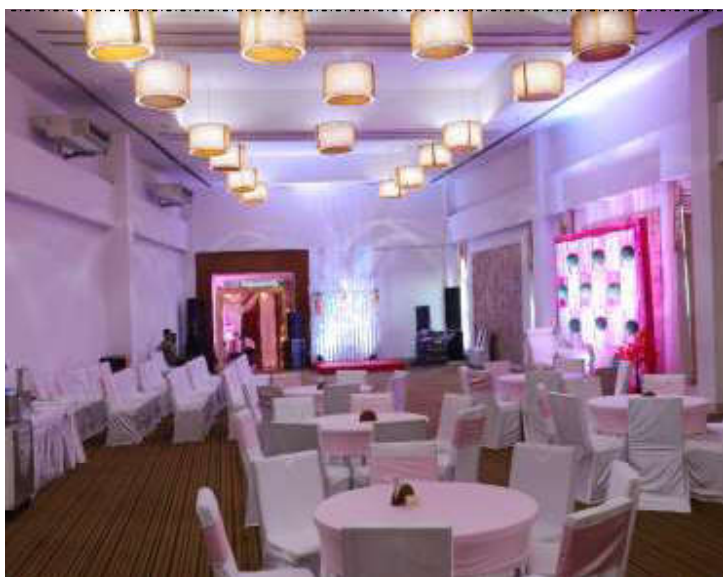
*With 65 Rooms including 5 Executive Suits and fine-dining destinations and classy venues for corporate meets and personal events, Alcor is easily accessible and is an important business hub in the city.*

### NOOK | 24 HOURS COFFEE SHOP

*Boasting a quaint 24 hours opening time, Nook is all about getting what you want when you fancy it.*

### ZIRCA | INDIAN RESTAURANT

*Zirca, the multi-cuisine restaurant is the perfect place for a meal, be it breakfast, lunch, dinner, brunch, or a midnight snack. Choose from Indian, Oriental and Continental.*



### BANQUET

*We offer complete solutions for hosting important events – from corporate dos to wedding functions. Our grand and well equipped, state-of-the-art banquet halls & boardrooms have been designed to offer utmost ease to all the events.*

***Sigma HTS LLP, Step – down subsidiary  
of RSD Finance Ltd.***

*is a heat treatment plant with prime focus on heat treatment of cups & cones. The heat treated cups and cones are very sophisticated and require stringent quality control.*



Mr. Rajeev Singh Dugal (Middle), Founder Member & Partner of SIGMA HTS LLP receiving award of Emerging Supplier of the Year from Mr. Sanjay Koul (on the left), Managing Director of Timken India Ltd..!!







# R S D FINANCE LIMITED

CIN: L17222WB1963PLC025749

**Registered Office:** 224, A J C Bose Road, Krishna Building, 9th Floor, Room No. 902, Kolkata- 700 017

**Admin Office:** C/o The Alcor Hotel, Holding No. 4, Ramdas Bhatta,

Opp. Indian Oil Petrol Pump, Bistupur, Jamshedpur- 831001

Tel. No: +91 7280009199, Email address: [rsdfinance.ltd@gmail.com](mailto:rsdfinance.ltd@gmail.com),

[complianceofficer@rsdfinancelimited.com](mailto:complianceofficer@rsdfinancelimited.com)

Website: [www.rsdfinancelimited.com](http://www.rsdfinancelimited.com)

## NOTICE

NOTICE IS HEREBY GIVEN THAT THE FIFTY FIFTH ANNUAL GENERAL MEETING OF THE MEMBERS OF RSD FINANCE LIMITED WILL BE HELD ON WEDNESDAY, SEPTEMBER 26, 2018 AT 12.30 PM AT GYAN MANCH, 11, PRETORIA ST, ELGIN, KOLKATA, WEST BENGAL - 700071 TO TRANSACT THE FOLLOWING BUSINESS:-

### ORDINARY BUSINESS:

1. **Adoption of the Audited Standalone and Consolidated Financial Statements of the Company.**

To receive, consider and adopt:

- a) the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2018 together with the reports of the Board of Directors and Auditors thereon; and
  - b) the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2018 together with the reports of the Auditors thereon.
2. **Appointment of Ms. Upneet Dugal (DIN: 07680726), who retires by rotation and being eligible, offers herself for re-appointment as a Director.**

To consider and if thought fit, 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, and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) Ms. Upneet Dugal (DIN: 07680726), who retires by rotation at this meeting and being eligible, offers herself for re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation.”

### SPECIAL BUSINESS:

3. **Appointment of Mr. Jayesh Taunk (DIN - 07936303) as a Non-Executive Independent Director of the Company.**

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

“RESOLVED THAT pursuant to the provisions of Section 149, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014, (including any statutory modification(s) or re-enactment

thereof, for the time being in force), and pursuant to the applicable provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any modification or amendment thereof, Mr. Jayesh Taunk (DIN - 07936303), who was appointed as an Additional Director of the Company with effect from 12<sup>th</sup> September, 2017 by the Board of Directors of the Company pursuant to Section 161(1) of the Companies Act, 2013 and who holds office upto the date of this Annual General Meeting, and being eligible, offer himself for appointment be and is hereby appointed as a Director of the Company to hold office for a term upto five consecutive years.”

**4. Re-appointment of Mr. Sushil Kumar Khowala (DIN: 00224539) as a Non-Executive Independent Director of the Company.**

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

“**RESOLVED THAT** pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Mr. Sushil Kumar Khowala (DIN: 00224539), who was appointed and who holds office as an Independent Director of the Company up to 29<sup>th</sup> day of September, 2018 (first term) and being eligible, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for a second term of 5 (five) consecutive years on the Board of the Company.”

“**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to do all such acts, things and take all such steps as may be necessary, proper or

expedient to give effect to this resolution.”

**5. Delivery of documents on the Members through a particular mode if required by the Member.**

To consider and if thought fit, to pass the following resolution as an **ORDINARY RESOLUTION**:

“**RESOLVED THAT** pursuant to Section 20 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Incorporation) Rules, 2014 (including any statutory modification(s), amendment(s), clarification(s), re-enactment (s) or substitution(s) thereof for the time being in force) consent of the Company be and is hereby accorded to charge a fee from a Member in advance, a sum equivalent to the estimated expenses of delivery of the documents through a particular mode if a request has been received from the Member by the Company for delivery of any document through a particular mode, provided such request along with such fee has been duly realised by the Company at least one week in advance of the dispatch of the document(s) by the Company and that no such request shall be entertained by the Company post-dispatch of such document to the Member.”

“**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, any of the Directors or the Key Managerial Personnel of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things as they may in their absolute discretion deem necessary, proper, desirable or expedient and to settle any question, difficulty, or doubt that may arise in respect of the matter aforesaid, including determination of the estimated fees to be paid in advance for delivery of the document(s).”

**6. Shifting of Registered Office from jurisdiction of one state to another**

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

"RESOLVED THAT pursuant to the provisions of Section 12(5), 13(4) and other applicable provisions, if any, of the Companies Act, 2013, read with Rule 30 of the Companies (Incorporation) Rules, 2014 and other relevant rules applicable, if any, (including any statutory modification(s) or re-enactments thereof, for the time being in force), and subject to approval of the Central Government (Regional Director), and subject to such other approvals, permissions and sanctions, as may be required, under the provisions of the said Act or under any other law for the time being in force, or any statutory modification or amendment thereof, consent of the Members be and is hereby accorded for shifting of Registered Office of the Company from the from its present location at the State of West Bengal to the State of Jharkhand."

"RESOLVED FURTHER THAT upon shifting of the registered office being effective, the existing Clause-II of the Memorandum of Association of the Company be and hereby substituted with the following new clause:

**"II. The registered office of the Company will be situated in the State of Jharkhand."**

"RESOLVED FURTHER THAT upon the aforesaid resolution becoming effective, the Registered Office of the Company be shifted from the "State of West Bengal" to such place in the "State of Jharkhand" as may be determined by the Board of Directors of the Company."

"RESOLVED FURTHER THAT the Directors of the Company be and are hereby authorized jointly or severally to sign, execute and submit such document, forms etc. as may be required and to take such steps, do such acts, deeds and things as they may deem necessary and proper in this matter."

By Order of the Board of Directors  
For **RSD Finance Limited**

Sd/-

**Rajeev Singh Dugal**  
Managing Director  
DIN - 00052037

**Registered Office:**

224 A J C Bose Road  
Krishna Building, 9th Floor  
Room No. 902, Kolkata- 700 017  
CIN: L17222WB1963PLC025749  
Website: [www.rsdfinancelimited.com](http://www.rsdfinancelimited.com)  
Email: [rsdfinance.ltd@gmail.com](mailto:rsdfinance.ltd@gmail.com),  
[complianceofficer@rsdfinancelimited.com](mailto:complianceofficer@rsdfinancelimited.com)  
Tel. No: +91 +91 7280009199

Place: Jamshedpur

Date: August 14, 2018

**NOTES:**

1. **MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (AGM) IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING A PROXY IN ORDER TO BE VALID MUST BE DULY FILLED IN ALL RESPECTS AND SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN FORTY-EIGHT (48) HOURS BEFORE THE COMMENCEMENT OF THE MEETING i.e. BY 12.30 PM ON SEPTEMBER 24, 2018.**

Pursuant to the provisions of the Companies Act, 2013 (hereinafter called "the Act") and the Rules made thereunder. A person can act as proxy on behalf of Members not exceeding 50 (fifty) in number and holding in the aggregate not more than ten percent (10%) of the total issued and paid up share capital of the Company. Proxies submitted on behalf of the companies, societies, etc., must be supported by an appropriate resolution/authority, as applicable. A member holding more than ten percent (10%) of the total issued and paid up share capital of the Company may appoint a single person as proxy and such person shall not act as a proxy for any other person

or member. The holder of proxy shall prove his identity at the time of attending the Meeting.

2. The relevant statements pursuant to Sub section 1 of Section 102 of the Act and the Secretarial Standard II on General Meetings, which sets out details relating to the special business to be transacted at the Annual General Meeting is annexed hereto and forms part of this Notice.
3. The Company does not have any unclaimed dividend amount to be transferred to Investor Education and Protection Fund (IEPF)
4. The Company is providing facility for voting by electronic means (e-voting) through an electronic voting system which will include remote e-voting as prescribed by the Companies (Management and Administration) Rules, 2014 as presently in force and the business set out in the Notice will be transacted through such voting. Information and instructions including details of user id and password relating to e-voting are provided in the Notice under Note No. 23
5. In terms of Section 152 of the Companies Act, 2013 and the Articles of Association of the Company, Ms. Upneet Dugal (DIN: 07680726), Director, retires by rotation at the forthcoming AGM and being eligible, offers herself for re- appointment. The Board of Directors recommends the aforesaid re-appointment. As per explanation to Section 152(6)(e) of the Companies Act, 2013, total number of Directors for the purpose of determining Directors liable to retire by rotation shall not include Independent Directors, whether appointed under the Companies Act, 2013 or any other law for the time being in force.
6. Ms. Upneet Dugal is interested in the Ordinary Resolutions set out at Item Nos. 2 of the Notice with regard to her appointment. Mr. Rajeev Singh Dugal, Managing Director, being related to Ms. Upneet Dugal may be deemed to be interested in the resolution set out at Item No. 2 of the Notice. Save and except the

above, none of the Directors/Key Managerial Personnel of the Company/ their relatives are, in any way, concerned or interested, financially or otherwise, in the Ordinary Business set out under Item Nos. 1 to 2 of the Notice.

7. Details of Directors retiring by rotation/seeking appointment/ re-appointment at the ensuing Meeting are provided in the “Annexure” to the Notice pursuant to the provisions of (i) the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and (ii) Secretarial Standard on General Meetings (“SS-2”), issued by the Institute of Company Secretaries of India.
8. The Ministry of Corporate Affairs by way of a Notification dated May 07, 2018, notified the provisions of Section 40 of the Companies (Amendment) Act, 2017 along with Companies (Audit and Auditors) Amendment Rules, 2018, whereby provisions of Section 139 of the Companies Act, 2013 were amended. As per the amendment, the ratification of Statutory Auditors appointed by the shareholders at every AGM of the Company has been done away with.
9. Members/Proxies/Authorised Representatives are requested to:
  - I. Bring their copies of the Annual Report and the attendance slip duly completed and signed at the meeting.
  - II. Quote their respective folio numbers or DP ID and Client ID numbers for easy identification of their attendance at the meeting.
  - III. Bodies Corporate, who are the members of the Company, are requested to send a certified copy of the board resolution authorising their representative(s) to attend and vote at the meeting.
  - IV. In case of joint holders attending the Meeting, only such joint holder who is



higher in the order of names will be entitled to vote.

10. The Register of Members and Share Transfer Books in respect of Equity Shares will remain closed from (Wednesday) 19th September, 2018 to (Wednesday) 26th September, 2018 (both days inclusive) in terms of provisions of Section 91 of the Companies Act, 2013 for the purpose of Annual General Meeting.
11. Every member entitled to vote at a meeting of the Company, or on any resolution to be moved thereat, shall be entitled during the period beginning twenty-four hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, to inspect the proxies lodged, at any time during the business hours of the Company, provided not less than three days' notice in writing before the commencement of the Annual General Meeting of the intention to inspect is given to the Company.
12. The Securities and Exchange Board of India has mandated submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in demat mode are therefore requested to submit a self-attested copy of their PAN card to the Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit the self-attested copy of their PAN card to the Company's Registrar & Transfer Agents.
13. Members holding shares in single name are advised to avail the facility of nomination in respect of shares held by them pursuant to the provisions of Section 72 of the Act. Members holding shares in physical form desirous of making nominations may send their request in Form SH -13 in duplicate to the Registrars and Share Transfer Agents (RTA) of the Company. Members may obtain a blank Form SH -13 upon request to the Company or its RTA. Members holding shares in electronic mode may contact their respective DPs for availing this facility.
14. SEBI has decided that securities of listed companies can be transferred only in dematerialised form from December 05, 2018. In view of the above and to avail various benefits of dematerialisation, members are advised to dematerialise shares held by them in physical form.
15. The Company's Registrar & Share Transfer Agent (both, physical as well as electronic) is M/s. S. K. Infosolutions Pvt Ltd having its office at 34/1A, Sudhir Chatterjee Street, Kolkata – 700 006. Members are requested to send all communications relating to shares to M/s. S. K. Infosolutions Pvt Ltd.
16. The Ministry of Corporate Affairs and SEBI has encouraged paperless communication as a contribution to a greener environment. In furtherance of the Go Green Initiative, Members holding shares in physical mode are requested to register their e-mail ID's with S. K. Infosolutions Private Limited, the Registrars & Share Transfer Agents of the Company and Members holding shares in demat mode are requested to register their e-mail ID's with their respective Depository Participants (DPs) in case the same is still not registered.  
  
If there is any change in the email ID already registered with the Company, members are requested to immediately notify such changes to the Registrars & share Transfer Agent of the Company in respect of the shares held in physical form and to their respective Depository Participants (DPs) in case the shares are in Demat form.
17. Members holding shares in electronic form are requested to intimate any change in their address or bank mandates to their Depository Participant(s) with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to advise any change in their address or bank mandates immediately to the Company or the Registrars and Share Transfer Agents (RTA), M/s S.K. Infosolutions Private Limited.



18. In terms of Section 101 and 136 of the Companies Act, 2013 read together with the Rules made there under, the copy of the Annual Report 2017-18 including Audited Financial Statements, Board's report etc. and this Notice of the 55<sup>th</sup> Annual General Meeting of the Company interalia indicating the process and manner of remote e-voting alongwith the Attendance Slip and Proxy Form is being sent by electronic mode, to all those members whose email ids are registered with their respective Depository Participants (DPs), the Company or its Registrars & Share Transfer Agents(RTA) for communication purposes unless any member has requested for a physical copy of the same.
19. For Members who have not registered their email address, physical copies of the Annual Report for 2017- 18 and this Notice of the 55<sup>th</sup> Annual General Meeting of the Company interalia indicating the process and manner of remote e-voting along with the Attendance Slip and Proxy Form is being sent to them in the permitted mode.
20. Members may also note that the Annual Report for the financial year 2017-18 including the this Notice convening the 55<sup>th</sup> Annual General Meeting will also be available on the Company's website [www.rsdfinancelimited.com](http://www.rsdfinancelimited.com), which can be downloaded from the site. The physical copies of the aforesaid documents will also be available at the Company's registered office at Kolkata for inspection from 12.30 PM to 03.00 PM on all the working days except Saturdays, Sundays and Public Holidays. Even after registering for e-communication, members are entitled to receive such communication in physical form by post, upon making a request for the same, free of cost. For any communication, the members may also send their requests to the designated e-mail ID: [complianceofficer@rsdfinancelimited.com](mailto:complianceofficer@rsdfinancelimited.com) / [rsdfinance.ltd@gmail.com](mailto:rsdfinance.ltd@gmail.com)
21. With a view to serving the Members better and for administrative convenience, an attempt would be made to consolidate multiple folios. Members who hold shares in identical names and in the same order of names in more than ones folio are requested to write to the Company to consolidate their holdings in one folio.
22. Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of Companies Act, 2013 and Register of Contracts or arrangements in which Directors are interested maintained under Section 189 of the Companies Act, 2013 read with Rules made thereunder and other relevant documents in respect of the proposed resolutions would be available for inspection by the members at the venue of the Annual General Meeting and also at the Registered Office of the Company on all working days, except Saturdays, Sundays and public holidays, between 12.30 p.m. and 03.00 p.m. upto the date of this Annual General Meeting.
23. E -Voting
- All persons whose names are recorded in the Register of Members or in the Register of Beneficial owners maintained by the Depositories as on the cut-off date namely, 21st September, 2018 only shall be entitled to vote at the Annual General Meeting by availing the facility of remote e-voting or by voting at the venue of the Annual General Meeting.
- A. VOTING THROUGH ELECTRONIC MEANS**
- I. Pursuant to provisions of Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), and the Secretarial Standard II on General Meetings, the Company is pleased to

provide to its members a facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting (AGM) by electronic means. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).

II. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.

III. The remote e-voting facility will be available during the following period:

- **Commencement of remote e-voting: From 9:00 a.m. (IST) on Saturday, September 22, 2018**
- **End of remote e-voting: Up to 5:00 p.m. (IST) on Tuesday, September 25, 2018**

During this period members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 21st September, 2018, may cast their vote by remote e-voting. The remote e-voting will not be allowed beyond the aforesaid date and time and the remote e-voting module shall be disabled by NSDL upon expiry of the aforesaid period.

Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

IV. A person who is not a member as on cut-off date should treat this Notice for information purpose only.

V. The voting rights of the Members shall be in proportion to their shares in the paid- p share capital of the Company as on the cut-off date, being Friday, September 21, 2018.

VI. The process and manner for remote e-voting are as under:

**a. In case a member receives an email from NSDL (for members whose email IDs are registered with the Company/ DP)**

(i) Open email and open PDF file viz; "remote e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.

Note: Shareholders already registered with NSDL for e-voting will not receive the pdf file "remote e-voting.pdf"

(ii) Launch internet browser by typing the following URL:  
<https://www.evoting.nsdl.com>

(iii) Click on Shareholder – Login

(iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.

(v) Password change menu appears. Change the password/ PIN with new password of your choice with minimum 8 digits/ characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.

(vii) Select Electronic Voting Event No. (EVEN) of "RSDFINANCE LIMITED".

(viii) Now you are ready for remote e-voting as Cast Vote page opens.

(ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.

(x) Upon confirmation, the message "Vote cast successfully" will be displayed.

(xi) Once you have voted on the resolution, you will not be allowed to modify your vote.

(xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to [sitalpr@yahoo.co.in](mailto:sitalpr@yahoo.co.in) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

**b. In case a member receives physical copy of the Notice of AGM [for members whose e-mail IDs are not registered or have requested the physical copy]:**

(i) Initial password is provided in the Annexure or at the bottom of the Attendance Slip for the AGM (enclosed herewith)

(ii) Please follow all steps from Sl. No. (ii) to (xii) above to cast vote.

## **B. VOTING AT AGM**

In terms of provisions of Section 107 of the Companies Act, 2013, since the Company is providing the facility of remote e-voting to the Members, there shall be no voting by show of hands at the AGM. The Company is also offering facility for voting by way of Ballot Papers at the AGM for the Members attending the meeting who have not cast their vote by remote e-voting. In case of voting by Ballot Papers at the AGM, the voting rights of the Members shall be in proportion to their shares in the paid-up share capital of the Company as on the date of Book Closure.

## **24. OTHER INSTRUCTIONS**

I. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for

Shareholders and remote e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990.

II. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.

III. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).

IV. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 21st September, 2018.

V. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper. A person, who is not a member as on the cut-off date, should treat this Notice for information purpose only.

VI. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 21st September, 2018, may obtain the login ID and password in the manner as mentioned below:

a) Members may send an e-mail request to – Company Secretary/ Compliance Officer at [complianceofficer@rsdfinancelimited.com](mailto:complianceofficer@rsdfinancelimited.com) or, NSDL at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or, Issuer/RTA at [skcdilip@gmail.com](mailto:skcdilip@gmail.com) by mentioning their Folio No./DP ID and Client ID No.

b) If a member is already registered with NSDL for remote e-voting then they can use their existing user ID and password for casting their votes. Passwords can be reset if forgotten by using “Forgot User

Details/Password” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).

- c) Member may call on NSDL’s toll-free number: 1800-222-990.

VII. A member may participate in the AGM even after exercising his right to vote through remote e- voting but shall not be allowed to vote again at the AGM.

VIII. If a Member cast votes by both modes i.e. remote e-voting and Ballot Papers at the AGM, then voting done through remote e-voting shall prevail and Ballot Paper shall be treated as invalid.

IX. The Board of Directors of the Company has appointed Mr. Sital Prasad Swain, Practicing Company Secretary (Membership No. F6338 and CP No – 6814) as the Scrutinizer to scrutinize the remote e-voting process and voting by way of Ballot Paper in a fair and transparent manner and he has communicated his willingness to be appointed and will be available for the said purpose.

X. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of or “Ballot Paper” for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.

XI. The Scrutinizer shall, immediately after the conclusion of voting at the Annual General Meeting, count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make within the prescribed time limit after the conclusion of the AGM a consolidated scrutinizer’s report of the total votes cast in favor or against, if any, to the Chairman or a person authorized by him in writing, who

shall countersign the same and declare the result of the voting forthwith.

XII. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company [www.rsdfinancelimited.com](http://www.rsdfinancelimited.com) and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be uploaded on the BSE Listing Portal.

XIII. Subject to receipt of requisite number of votes, the Resolutions shall be deemed to have been passed on the date of the AGM i.e., September 26, 2018.

25. The route map showing directions to reach to the venue of the 55<sup>th</sup> AGM is given at the end of this Notice as per the requirement of the Secretarial Standards-2.

26. The names and address of the Stock Exchanges where at the Company’s Equity Shares are listed, are given below:-

**Bombay Stock Exchange Limited**  
Floor 25, Phiroze Jeejeebhoy Towers,  
Dalal Street, Fort, Mumbai 400 001

**Calcutta Stock Exchange Limited**  
7, Lyons Range, Kolkata – 700 001

**By Order of the Board of Directors**  
**RSD Finance Limited**

**Sd/-**

**Rajeev Singh Dugal**  
**Managing Director**

Place: Jamshedpur

Date: August 14, 2018

#### REQUEST TO MEMBERS

Members are requested to send their query, if any, relating to the financial statements, shareholding, etc., to the Company Secretary/Chief Financial Officer at the Registered Office of the Company, on or before Wednesday, September 19, 2018, so that the answers/ details can be kept ready at the AGM.



**STATEMENT PURSUANT TO SECTION 102 (1) OF THE COMPANIES ACT, 2013 (HEREINAFTER CALLED 'THE ACT')**

The following Statement sets out all material facts relating to the Special Businesses mentioned in the Notice:

**Item No. 3**

The Board of Directors of the Company had based on the recommendation of the Nomination and Remuneration Committee at its meeting held on September 12, 2017 appointed Mr. Jayesh Taunk (DIN - 07936303) as a Additional (Non-Executive Independent) Director of the Company to hold office for a period of five consecutive years, not liable to retire by rotation, subject to consent by the Members of the Company at the ensuing Annual General Meeting ("AGM")

In accordance with the provisions of Section 149 read with Schedule IV to the Act, appointment of an Independent Director requires approval of members. Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors has proposed that Mr. Jayesh Taunk (DIN - 07936303), be appointed as an Independent Director on the Board of the Company. The appointment of Mr. Jayesh Taunk shall be effective upon approval by the members in the Meeting.

He is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director.

The Company has received a declaration from that he meets the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

In the opinion of the Board, Mr. Jayesh Taunk fulfils the conditions for his appointment as an Independent Director as specified in the Act and the Listing Regulations. Mr. Jayesh Taunk is

independent of the management and possesses appropriate skills, experience and knowledge.

Details of Mr. Jayesh Taunk are provided in the "Annexure" to the Notice pursuant to the provisions of (i) the Listing Regulations and (ii) Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India.

A Copy of draft letter of appointment of Mr. Jayesh Taunk setting out the terms and conditions of appointment is available for inspection by the members at the registered office of the Company. The said terms and conditions of appointment are also available on the website of the Company at [www.rsdfinancelimited.com](http://www.rsdfinancelimited.com)

Save and except Mr. Jayesh Taunk and his relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution. This statement may also be regarded as an appropriate disclosure under the Listing Regulations.

The Board commends the Ordinary Resolution set out at Item No. 3 of the Notice for approval by the members.

**Item No. 4**

Mr. Sushil Kumar Khowala (DIN: 00224539) was appointed as an Independent Director on the Board of the Company pursuant to the provisions of Section 149 of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and the erstwhile Clause 49 of the Listing Agreement with the stock exchanges.

He holds office as an Independent Director of the Company up to 29<sup>th</sup> September, 2018 ("first term" in line with the explanation to Sections 149(10) and 149(11) of the Act).

The Nomination and Remuneration Committee of the Board of Directors on the basis of the report of performance evaluation of Independent Directors, has recommended



the reappointment of Mr. Sushil Kumar Khowala as an Independent Director for a second term of 5 (five) consecutive years on the Board of the Company.

The Board, based on the performance evaluation of the Independent Directors and the recommendation of the Nomination and Remuneration Committee, considers that, given his background and experience and contributions made by him during their tenure, the continued association would be beneficial to the Company and it is desirable to continue to avail his services as Independent Director. Accordingly, it is proposed to re-appoint Mr. Sushil Kumar Khowala as an Independent Director of the Company, not liable to retire by rotation and to hold office for a second term of 5 (five) consecutive years on the Board of the Company.

Mr. Sushil Kumar Khowala is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director.

The Company has also received a declaration that he meets with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

In the opinion of the Board, Mr. Sushil Kumar Khowala fulfils the conditions for re-appointment as an Independent Director as specified in the Act and the Listing Regulations. He is independent of the management.

Details of Mr. Khowala is provided in the "Annexure" to the Notice pursuant to the provisions of (i) the Listing Regulations and (ii) Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India.

Copy of the draft letter of appointment setting out the terms and conditions of appointment are available for inspection by the members at the registered office of the Company. The said terms and conditions of appointment are also available on the website

of the Company at [www.rsdfinancelimited.com](http://www.rsdfinancelimited.com)

Save and except Mr. Sushil Kumar Khowala and his relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution. This statement may also be regarded as an appropriate disclosure under the Listing Regulations.

In accordance with the provisions of Section 149 read with Schedule IV to the Act, re-appointment of Independent Directors for the second term requires approval of members by way of a Special Resolution.

The Board commends the Special Resolutions set out at Item Nos. 4 of the Notice for approval by the members.

#### **Item No. 5**

As per the provisions of Section 20 of the Companies Act, 2013 a document may be served on any Member by sending it to him/her by Post or by Registered post or by Speed post or by Courier or by delivering at his/her office or address or by such electronic or other mode as may be prescribed.

It further provides that a Member can request for delivery of any document to him/her through a particular mode for which he/she shall pay such fees as may be determined by the Company in its Annual General Meeting. Therefore, to enable the Members to avail of this facility, it is necessary for the Company to determine the fees to be charged for delivery of a document in a particular mode, as mentioned in the resolution.

Since the Companies Act, 2013 requires the fees to be determined in the Annual General Meeting, the Board accordingly recommend the Ordinary Resolution at Item No.5 of the accompanying notice, for the approval of the Members of the Company.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives are in any way concerned or interested, financially or otherwise, in the aforesaid Ordinary Resolution mentioned at Item No. 5 of this Notice except to the extent

of their respective shareholding in the Company, if any.

**Item No. 6**

Presently, the Company's Registered Office is located at State of West Bengal. The Board of Directors of the Company on August 14, 2018 has proposed to shift the Registered Office of the Company from the "State of West Bengal" to the "State of Jharkhand" due to the following reasons:-

I. The Company has its factory at NS – 13, 2<sup>nd</sup> Phase, Industrial Area, Adityapur, Jamshedpur – 831001 and its administrative office at H. No – 4, The Alcor Hotel, Ramdas Bhatta, Bistupur, Jamshedpur – 832001 and majority of its operations of the Company are carried out from there only.

II. To carry on the business of the Company more economically, efficiently and with better operational convenience. Shifting of Registered Office will not be prejudicial to the interest of any employees, shareholders, creditors or any other stakeholders.

As per provisions of Section 12, 13, 110 and other applicable provisions, if any, of the Companies Act, 2013 and rules made

thereunder, shifting of the Registered office from one State to another and alteration of Clause II of the Memorandum of Association of the Company requires the approval of the members of the Company by means of a Special Resolution and approval of the Central Government (Regional Director). Accordingly, approval of the members is sought for shifting of the Registered Office of the Company from the "State of West Bengal" to the "State of Jharkhand" and consequently for altering Clause II of the Memorandum of Association of the Company to reflect that the registered office of the Company be situated in the State of Jharkhand. All the material documents related to this item will be available for inspection at the Registered Office of the Company.

Your Directors recommend the resolution proposed at Item No. 6 for the approval of Shareholders by way of special resolution.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives are in any way concerned or interested, financially or otherwise, in the aforesaid Special Resolution mentioned at Item No. 6 of this Notice except to the extent of their respective shareholding in the Company, if any.

**By Order of the Board of Directors  
RSD Finance Limited**

Sd/-

**Mr. Rajeev Singh Dugal  
Managing Director**

Place: Jamshedpur  
Date: August 14, 2018

**ANNEXURE TO THE NOTICE DATED 14<sup>TH</sup> AUGUST, 2018**  
**DETAILS OF DIRECTORS RETIRING BY ROTATION/SEEKING APPOINTMENT/RE-APPOINTMENT AT THE ENSUING ANNUAL GENERAL MEETING**

Particulars	Ms. Upneet Dugal	Mr. Jayesh Taunk	Mr. Sushil Kumar Khowala
Nationality	Indian	Indian	Indian
Date of Birth	26 <sup>th</sup> September, 1992	05 <sup>th</sup> December, 1967	06 <sup>th</sup> July, 1964
Age	25 years	50 years	54 years
Qualifications	Bachelor in Business Administration	Cost Accountant (CMA)	Chartered Accountant(CA)
Expertise in specific functional area	Ms. Upneet Dugal has an experience in Business Development and is taking a course on Corporate Communication and Reputation Management.	Mr. Jayesh Taunk has vast experience in the field of Accounts & Finance. He has worked in large scale Companies and leading firms like Usha Martin Ltd., Dunlop India Limited, PWC, E&Y and Accenture. Please refer Company's website: <a href="http://www.rsdfinancelimited.com">www.rsdfinancelimited.com</a> for detailed profile.	Mr. Sushil Kumar Khowala has had a brilliant academic career and is a senior partner and founder member in Messrs. SDY & Co., Chartered Accountants His areas of specialization include Audit, Taxations, Financial Consultancy, Project Finance & Merchant Banking Activities. Please refer Company's website: <a href="http://www.rsdfinancelimited.com">www.rsdfinancelimited.com</a> for detailed profile.
Terms & conditions of Appointment & Remuneration	As per the resolution passed by the shareholders at the Annual General Meeting held on September 08, 2017, Ms. Upneet Dugal was appointed as an Executive Director, liable to retire by rotation.	As per the resolution at item no. 3 of the Notice convening this Annual General Meeting read with the statement pursuant to Section 102(1) of the Act thereto.	As per the resolution at item no. 4 of the Notice convening this Annual General Meeting read with the statement pursuant to Section 102(1) of the Act thereto.
Remuneration last drawn (including sitting fees, if any)	Remuneration of ₹9,00,000 during the financial year 2017-18	Sitting Fees of ₹ 6,000 paid for attending Board and Committee meetings during the financial year 2017-18	Sitting Fees of ₹10,000 paid for attending Board and Committee meetings during the financial year 2017-18
Remuneration proposed to be paid	As per existing terms and conditions	Sitting Fees to be paid for attending Board and Committee meetings	Sitting Fees to be paid for attending Board and Committee meetings
Date of first Appointment on the Board	28th December, 2016	12th September, 2017	21st June, 2013

Number of shares held in the Company as on 31st March, 2018	NIL	75,000	18,000
Relationships with other Directors/ Key Managerial Personnel	Daughter of Mr. Rajeev Singh Dugal (Managing Director)	Not related to any Director / Key Managerial Personnel	Not related to any Director / Key Managerial Personnel
Number of meeting of Board attended during the year	Two (2)	Three (3)	Three (3)
Directorships of other Boards as on March 31, 2018 (Public Limited Company)	NIL	NIL	<ul style="list-style-type: none"> <li>• G.Raj and Company Consultants Ltd</li> <li>• GRIC Consultancy India Limited</li> <li>• Narnolia Commerze Limited</li> </ul>
Chairman / Member of the Committee of Directors of other Public Limited Companies in which he / she is a Director	Chairman – NIL Member - NIL	Chairman – NIL Member - NIL	Chairman – NIL Member - NIL

**By Order of the Board of Directors  
RSD Finance Ltd.**

**Sd/-**

**Mr. Rajeev Singh Dugal  
Managing Director**

Place: Jamshedpur  
Date: August 14, 2018



# BOARD'S REPORT

To,  
The Members  
**RSD Finance Limited**

Your Directors have pleasure in presenting their Fifty- Fifth Annual Report on the business and operations of the Company together with the Audited Financial Statements (Standalone as well as Consolidated) for the year ended March 31, 2018.

## 1. KEY FINANCIAL HIGHLIGHTS

The highlights of the financial results of the Company on a standalone and consolidated basis are as follows:

(AMT. IN RUPEES)

<b>PARTICULARS</b>	<b>STANDALONE</b>		<b>CONSOLIDATED</b>	
	<i>Year Ended March 31, 2018</i>	<i>Year Ended March 31, 2017</i>	<i>Year Ended March 31, 2018</i>	<i>Year Ended March 31, 2017</i>
<i>Revenue from Operations</i>	2,81,27,201	6,66,44,333	38,17,43,474	39,18,28,138
<i>Other Income</i>	4,15,41,434	75,89,107	8,57,66,023	3,72,89,489
<b><i>Total Revenue</i></b>	<b>6,96,68,635</b>	<b>7,42,33,440</b>	<b>46,75,09,497</b>	<b>42,91,17,627</b>
<i>Total Expenses</i>	3,56,13,908	2,22,70,854	41,20,35,980	29,23,60,419
<i>Profit for the year before tax</i>	3,40,54,727	5,19,62,586	5,54,73,517	13,67,57,208
<i>Add : Extraordinary Items</i>	-	-	1,15,61,393	-
<i>Less : Provision for Taxation</i>				
<i>Current Tax</i>	65,88,024	92,30,949	1,80,50,278	2,61,79,435
<i>Deferred Tax</i>	(1,00,003)	61,558	(16,71,790)	40,99,942
<i>Less : Minority Interest</i>	-	-	34,97,882	63,86,344
<b><i>Profit during the year</i></b>	<b>2,75,66,706</b>	<b>4,26,70,079</b>	<b>4,71,58,540</b>	<b>10,00,91,487</b>
<i>Add : Profit B/F from previous Year</i>	26,73,60,377	23,34,12,071	42,04,41,160	3,36,097,390
<i>Sub Total</i>	29,49,27,083	27,60,82,150	46,75,99,700	43,61,88,877
<i>Less: P/L Appropriation</i>	8,34,704	1,87,756	9,53,602	3,83,170
<i>Less : Transferred to Statutory Reserve</i>	55,13,341	85,34,016	55,13,341	85,34,016
<i>Less: Proposed Dividend including DDT</i>	-	-	65,47,452	68,30,531
<b><i>Balance C/f to Balance Sheet</i></b>	<b>28,85,79,038</b>	<b>26,73,60,377</b>	<b>46,11,32,757</b>	<b>42,04,41,160</b>



## 2. NATURE OF BUSINESS

Your Company is in existence for more than five decades. The Company is a Non-Banking Financial Company which falls within the category of "Non-Banking Finance Company - Non-Systemically Important Non-Deposit taking Company". It is registered with the RBI as a non – deposit taking NBFC under section 45 IA of the RBI Act, 1934.

As part of our business activities, we are predominantly focused into Investing Funds into capital market as well as in money market. We also provide Job Work services.

There have been no changes in the nature of the business of the Company during the year under review.

## 3. BUSINESS PERFORMANCE REVIEW

The Financial Year 2017-18 has been a challenging one due to volatile market conditions. Your company continued its journey towards a sustainable and balanced growth.

The revenue from job work services increased to ₹118.65 lakhs compared to ₹69.79 lakhs in the previous financial year whereas the interest income is ₹162.63 lakhs compared to ₹596.65 lakhs in the previous financial year.

Revenue from other sources increased to ₹415.41 lakhs compared to ₹75.89 lakhs in the previous financial year.

However, this financial year is characterized by impact of Non-Performing Asset. The Company is experiencing difficulties in collection of the interest and principal receivable from customers.

The profitability of the Company has been impacted by provisioning of substandard assets of ₹66.18 lakhs. Further our wholly owned subsidiary, Precision Automotive Pvt

Ltd, sold one of its operational plant during the year. However, the key factor driving the Company financial performance during the financial year was successful commencement of Heat Treatment operations by SIGMA HTS LLP, a step-down subsidiary of the Company.

There is a minor decline of 2.57% in the Consolidated Revenue from operations for the Financial Year 2017-18 as it decreased to ₹3817.43 lakhs compared with ₹3918.28 in the Previous Year.

On a Standalone basis, the Profit before Tax for the year stood at ₹340.55 lakhs as compared to ₹519.62 lakhs in the Previous Year. The Profit after Tax is ₹275.66 Lakhs as compared to the profit of ₹426.70 lakhs in the previous year.

On a Consolidated basis, the Profit before Tax and Extraordinary items for the Financial Year stood at ₹554.74 lakhs compared with ₹1367.57 lakhs in Previous Year. The Profit after Tax is ₹471.59 lakhs as compared to the profit of ₹1000.91 lakhs in the previous year.

There are no material changes or commitments affecting the financial position of the Company which have occurred between the end of the Financial Year and the date of this report.

## 4. FUTURE PROSPECTS

With the Indian economy poised for its next wave of growth under the reforms being unleashed, there lays tremendous opportunity for growth in the market.

The Company intends to continue focusing on capital market activities including trading in securities and carrying of job work activities and is looking forward for a sustainable growth in the coming years which would enhance the shareholders' value.

The Company is hopeful of making full use of

the growth opportunities available to it.

## 5. DIVIDEND

Your Director's regret for not recommending any Dividend on Equity Shares and has decided to retain the profits for future investments and to strengthen the business of the Company.

## 6. RESERVES

The Company proposes to transfer ₹55.13 lakhs to the statutory reserves and an amount of ₹2885.79 lakhs is proposed to be retained in the P/L account during the Financial Year 2017-18.

## 7. SHARE CAPITAL

The Equity shares of the Company are listed on the Bombay Stock Exchange (BSE) and the Calcutta Stock Exchange (CSE). The paid up Equity Share Capital as on March 31, 2018 was ₹6.47 crores. During the year under review, the Company has not issued any shares with differential voting rights nor has granted any stock options or sweat equity. As on March 31, 2018, none of the Directors of the Company hold instruments convertible into equity shares of the Company.

## 8. MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY

Except as disclosed elsewhere in this report, no material changes and commitments which could affect the Company's financial position have occurred between the end of the financial year of the Company and date of this report.

## 9. PUBLIC DEPOSIT

During the year under review, your Company neither accepted any deposits nor there were

any amounts outstanding at the beginning of the year which were classified as 'Deposits' in terms of Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposit) Rules, 2014 and hence, the requirement for furnishing of details of deposits which are not in compliance with the Chapter V of the Companies Act, 2013 is not applicable.

## 10. FINANCIAL LIQUIDITY

The Company's cash and cash equivalents as on March 31, 2018 is ₹34.96 lakhs compared to ₹112.73 lakhs as on March 31, 2017. The Company continues to focus on judicious management of its working capital. Receivables and other working capital parameters were kept under strict check through continuous monitoring.

## 11. SUBSIDIARY COMPANIES AND CONSOLIDATED FINANCIAL STATEMENTS

As per Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "Listing Regulations") and applicable provisions of the Companies Act, 2013 read with the Rules issued thereunder, the Consolidated Financial Statements of the Company for the financial year 2017-18 have been prepared in compliance with applicable Accounting Standards and on the basis of audited financial statements of the Company and its subsidiary companies, as approved by the respective Board of Directors.

The Consolidated Financial Statements form part of the Annual Report and reflect the operations of Precision Automotive Private Limited, SRP Oil Private Limited and Sigma HTS LLP.

No new subsidiary was added and no Company has ceased to be a RSD Finance Limited subsidiary during FY 2017-18.

Further, the annual accounts, annual reports

and the related detailed information on all the Subsidiary Companies shall be made available to the Shareholders of the Company and the Shareholders of the subsidiaries seeking such information at any point of time. In accordance with Section 136 of the Act, the audited annual financial statements including consolidated financial statements and audited accounts of the Subsidiary Companies are displayed on the website of the Company at [www.rsdfinancelimited.com](http://www.rsdfinancelimited.com) and shall be kept at the Registered Office of the Company, at the Corporate Office at Jamshedpur and at the Registered Office of the Subsidiary Companies for inspection by any Shareholder during business hours on all days except Saturdays, Sundays and Public Holidays.

Further, the Company has adopted a Policy for determining Material Subsidiaries in terms of Regulation 16 (1) (c) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'). The Policy, as approved by the Board, is uploaded on the Company's website [www.rsdfinancelimited.com/InvestorRelations/Codes/Polices](http://www.rsdfinancelimited.com/InvestorRelations/Codes/Polices) (path)

## 12. PERFORMANCE OF SUBSIDIARIES

### i) S R P OIL PRIVATE LIMITED

The Company continues to holds 52.55% shares in SRP Oil Private Limited. SRP is a material un-listed subsidiary Company of RSD Finance Limited as per SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015. It is engaged in the business of Hotel Industries. It is carrying business in the brand name of "The Alcor Hotel" in Jamshedpur, Jharkhand.

Net revenue of SRP Oil increased to ₹1830.98 lakhs in the Financial Year 2017-18 compared to ₹1466.77 lakhs in the previous year – registering a 24.83% increase. The net profit before tax was ₹373.31 lakhs during the FY 2017-18 compared to ₹196.28 lakhs in the previous year.

### ii) PRECISION AUTOMOTIVE PRIVATE LIMITED (PAPL)

Precision Automotive Private Limited continues to be a wholly owned material subsidiary Company of RSD Finance Limited. It is engaged in the business of Manufacturing, Buying and Re-selling of Auto Components. The Company is also earning financial income by way of investment activity in various financial instruments and engaged in generation and transmission of solar energy.

The Company has recently closed down its operations in one of its factories situated at Plot No. C-12, Phase – II, Adityapur Industrial Area, Jamshedpur – 832109 and has relinquished its leasehold rights along with transferring all shed, civil structures, electrical installations and other immovable assets.

The revenue from operations of PAPL was ₹816.22 lakhs in the Financial Year compared to ₹2105.07 lakhs in the previous year. The net profit before tax during the period was ₹336.44 lakhs as compared to a profit of ₹651.55 lakhs in the previous year.

### iii) SIGMA HTS LLP

SIGMA HTS is a Limited Liability Partnership of which 65% stake is held by Precision Automotive Pvt. Ltd., the wholly owned subsidiary of your Company. Sigma HTS LLP deals with heat treatment solutions and is comparatively a new entity which has been set up.

It has started its operations during the financial year giving total revenue of ₹1353.27 lakhs. However the LLP has incurred a loss of ₹314.48 lakhs due to depreciation amounting to ₹437.19 lakhs. Whereas, overall the LLP has earned a cash profit of ₹122.71 lakhs.

Further, during the year Sigma HTS has been awarded as the Emerging Supplier of the Year Award and also the Kaizan Award from

Timken India Limited.

The Company does not have any associate or joint venture Companies. Pursuant to the provisions of Section 129(3) of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014, a statement containing the salient features of the financial position of the above mentioned subsidiary Companies in Form AOC-1 is attached as “Annexure – 1” and forms a part of this Report.

Further, pursuant to Section 136 of the Act, the financial statements of the Company, including consolidated financial statements along with relevant documents and separate audited accounts in respect of subsidiaries are available on the website of the Company [www.rsdfinancelimited.com](http://www.rsdfinancelimited.com).

There have been no material changes in the nature of the business of the subsidiaries during the financial year 2017-18.

### 13. LISTING

The Equity Shares of the Company continue to be listed on the Bombay Stock Exchange (BSE) and the Calcutta Stock Exchange Limited (CSE). The Shares of the Company was first traded on the Bombay Stock Exchange on September 13, 2017. The scrip code number of the Equity Shares of the Company on BSE is 539875 and on CSE is 28123 respectively.

The Annual Listing Fee for the Financial Year 2018-19 has been duly paid within the stipulated time to both the Stock Exchanges.

### 14. DIRECTORS

In accordance with the provisions of Section 152 of the Companies Act, 2013 and the Company’s Articles of Association, Ms. Upneet Dugal (DIN – 07680726), Director of the Company, retires by rotation at the forthcoming Annual General Meeting and, being eligible, offers herself for re-

appointment. The Board of Directors on the recommendation of the Nomination and Remuneration Committee and based on report of performance evaluation recommends her re-appointment for the consideration of the Members of the Company at the ensuing Annual General Meeting.

Ms. Anureet Kaur (DIN – 07136456) resigned from her office as a Director on June 14, 2017. The Board places on record its sincere appreciation for the services rendered by Ms. Anureet Kaur during her tenure as Director of the Company.

The Board of Directors has appointed Mr. Jayesh Taunk (DIN: 07936303) as an Additional Non - Executive Independent Director of the Company on September 12, 2017. In terms of Section 161 of the Companies Act, 2013, Mr. Jayesh Taunk holds office up to the date of ensuing Annual General Meeting. The Board recommends the appointment of Mr. Jayesh Taunk as a Non - Executive Independent Director of the Company.

The first term of office of Mr. Sushil Kumar Khowala (DIN - 00224587) as Independent Directors, will complete on 29th September, 2018. The Board of Directors, on the recommendation of the Nomination and Remuneration Committee and based on report of performance evaluation, has recommended re-appointment of Mr. Sushil Kumar Khowala as an Independent Director for a second term of 5 (five) consecutive years on the Board of the Company.

Profile and other information of the aforesaid Directors, as required under Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard - 2 forms part of the notice convening the ensuing Annual General Meeting.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence prescribed under the Act and



the Listing Regulations.

All the directors of the Company have confirmed that they are not disqualified from being appointed as Directors in terms of Section 164 of the Companies Act, 2013.

Further, all the Directors, Key Managerial Personnel and senior management of the Company have affirmed compliance with the code of conduct applicable to the Directors and employees of the Company and a declaration in this regard made by the Managing Director is attached which forms a part of this report of Directors. The Code of Conduct is available on the Company's website [www.rsdfinancelimited.com](http://www.rsdfinancelimited.com)

## 15. KEY MANAGERIAL PERSONNEL

The following are the Key Managerial Personnel (KMP) of the Company, pursuant to the provisions of the Company Act, 2013 as on the date of this report:

1. Mr. Rajeev Singh Dugal - Managing Director
2. Mr. Rechan Chhabra – Chief Financial Officer
3. Ms. Puja Choudhary - Company Secretary and Compliance Officer

## 16. DECLARATION BY INDEPENDENT DIRECTORS

The Company has received declarations from all the Independent Directors pursuant to the provisions of sub-section (7) of Section 149 of the Companies Act, 2013, confirming that they fulfill the criteria of Independence as specified in Section 149(6) of the Companies Act, 2013 and Regulation 16(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Board confirms that the said Independent Directors meet the criteria as laid down under

the Companies Act, 2013 as well as the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

## 17. SEPARATE MEETING OF INDEPENDENT DIRECTORS

During the year under review, the Independent Directors had, in accordance with the provisions of Schedule IV (Code for Independent Directors) of the Companies Act, 2013 and Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, met separately and discussed and reviewed, *inter alia*, the performance of Non Independent Directors and the Board as a whole after taking into consideration the views of Executive and Non- Executive Directors.

## 18. BOARD AND ITS COMMITTEES BOARD MEETINGS

The Board met six times during the financial year. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013 and the SEBI Regulation, 2015. The details of dates of meetings held by the Board and its Committees, attendance of Directors, etc. is given separately in the Report of Corporate Governance which forms part of the report.

## COMMITTEES OF THE BOARD

The Board has formulated the following Committees:

### A. Audit Committee

The Audit Committee comprises of the following Directors:

1. Mr. Jayesh Taunk
2. Mr. Sushil Kumar Khowala
3. Mr. Rajeev Singh Dugal

During the financial year under review, all the recommendations made by the Audit Committee were accepted by the Board.



#### B. Nomination and Remuneration Committee

The Nomination and Remuneration Committee comprises of following Independent Directors:

1. Mr. Malkeet Singh Saini
2. Mr. Sushil Kumar Khowala
3. Mr. Jayesh Taunk

#### C. Stakeholder's Relationship Committee

The Stakeholders Relationship Committee comprises of following Directors:

1. Mr. Sushil Kumar Khowala
2. Mr. Rajeev Singh Dugal
3. Mr. Malkeet Singh Saini

#### D. Corporate Social Responsibility (CSR) Committee

The CSR Committee comprises of following Directors:

1. Mr. Rajeev Singh Dugal
2. Ms. Upneet Dugal
3. Mr. Sushil Kumar Khowala

#### E. Risk Management Committee

The Risk Management Committee comprises of following Directors:

1. Mr. Malkeet Singh Saini
2. Mr. Sushil Kumar Khowala
3. Ms. Upneet Dugal

The details of the Committees along with the number of meetings and attendance at the meetings are provided in the Corporate Governance Report which forms a part of this report.

## 19. DIRECTORS RESPONSIBILITY STATEMENT

In terms of Section 134(5) of the Companies Act, 2013, in relation to the audited financial statements of the Company for the year ended March 31, 2018, the Board of Directors hereby confirms that:

- (a) in the preparation of Annual Accounts for the financial year ended March 31, 2018, the applicable Accounting Standard have been followed and there are no material departures from the same;
- (b) such accounting policies have been selected and applied consistently and the Directors made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2018 and of the profits of the Company for the year ended on that date;
- (c) proper and sufficient care have been taken for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding assets of the Company and for preventing and detecting frauds and other irregularities;
- (d) the Annual Accounts have been prepared on a going concern basis;
- (e) internal financial controls have been laid down to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- (f) proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems are adequate and were operating effectively.

## 20. BOARD EVALUATION

The Board of Directors of the Company carried out annual evaluation of its own performance, of the Committees of the Board and individual Directors pursuant to the provisions of the Companies Act, 2013 and the corporate governance requirements as prescribed under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The evaluation was conducted on the basis of a structured questionnaire which was prepared taking into consideration various aspects such as board structure and composition, degree of fulfillment of key responsibilities, establishment and delineation of responsibilities to various Committees, effectiveness of Board processes, attendance and contribution at Board/ Committee Meetings and guidance/ support to the management outside Board/ Committee Meetings.

The Managing Director was evaluated on key aspects of his role, including setting the strategic agenda of the Board Meeting, encouraging active engagement by all Board members and motivating and providing guidance to the Management. Areas on which the Committees of the Board were assessed included degree of fulfillment of key responsibilities, adequacy of Committee composition and effectiveness of meetings.

The feedback received from the Directors was discussed and reviewed by the Independent Directors at their annual separate Meeting held on 14th March, 2018 and also shared with the Board. At the separate annual Meeting of Independent Directors, performance of Non-independent Directors and the Board as a whole and various Committees was discussed. The performance of the individual Directors, including Independent Directors, performance and role of the Board/Committees was also discussed at the Board Meeting held on 20th March, 2018.

The Board of Directors has expressed its satisfaction on functioning and performance of Board and Committees and the performance of individual directors. They expressed their satisfaction with the evaluation process.

## 21. INTERNAL FINANCIAL CONTROLS

The Internal Financial Controls with reference to financial statements of the Company, as designed and implemented by the Company, are adequate. During the year under review, no material or serious observation has been received from the Statutory Auditors and the Internal Auditors of the Company on the inefficiency or inadequacy of such controls.

The internal audit is entrusted to M/s. Heerwal & Associates, a reputed firm of Chartered Accountants. The main thrust of internal audit is to test and review controls, appraisal of risks and business processes, besides benchmarking controls with best practices in the industry. It also imparts guidance and constructive suggestions for improvement of the audit function in the Company.

## 22. INTERNAL CONTROL SYSTEMS

Adequate internal control systems commensurate with the nature of the Company's business and size and complexity of its operations are in place and have been operating satisfactorily. Internal control systems comprising of policies and procedures are designed to ensure reliability of financial reporting, timely feedback on achievement of goals, compliance with policies, procedure, applicable laws and regulations and that all assets and resources are acquired economically, used efficiently and adequately protected.

Your Directors confirm that during the year under review, there were no reportable material weaknesses in the present systems or operations of internal controls.

### 23. COMPLIANCE WITH NBFC REGULATIONS

The Company has complied with all the regulatory provisions of the Reserve Bank of India applicable to Non-Banking Financial Company - Non-Systemically Important Non-Deposit taking Company.

### 24. CONSERVATION OF ENERGY, TECHNOLOGICAL ABSORPTION AND FOREIGN EXCHANGE EARNING & OUTGO

The Company being a non-banking finance Company and not involved in any industrial or manufacturing activities, the Company's activities involve very low energy consumption and has no particulars to report regarding conservation of energy and technology absorption. However, efforts are made to further reduce energy consumption.

The Company did not have any foreign exchange earnings.

### 25. RELATED PARTY TRANSACTION

All Related Party Transactions entered into by your Company during the financial year were on arm's length basis and were in the ordinary course of business and in compliance with the provisions of the Companies Act, 2013 and the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

All Related Party Transactions are placed before the Audit Committee and also before the Board for approval. Omnibus approval was obtained for transactions which were of repetitive nature. A statement giving details of

all Related Party Transactions entered into pursuant to omnibus approval are placed before the Audit Committee for review and approval on a quarterly basis.

The Board has approved and adopted the Policy on Related Party Transactions and the same is uploaded on the Company's website - [www.rsdfinancelimited.com/InvestorRelations/Codes/Policies](http://www.rsdfinancelimited.com/InvestorRelations/Codes/Policies) (path)

No materially significant related party transactions were made by the Company with its Promoters, Directors, Key Managerial Personnel or other designated persons which may have potential conflict with interest of the Company at large. Accordingly, particulars of contracts or arrangements with related parties referred to in Section 188(1) of the Act along with the justification for entering into such contract or arrangement in Form AOC-2 forms part of the report as "Annexure - 2".

None of the Directors has any pecuniary relationships or transactions vis-à-vis the Company save and except the payment of sitting fees to Independent Directors and the remuneration given to executive directors. For details of the transactions with Related Party refer to the note 21 to the financial statements.

### 26. RISK MANAGEMENT POLICY

The Board of Directors has adopted a risk management policy for the Company which provides for identification, assessment and control of risks that in the opinion of the Board may threaten the existence of the Company. The above policy is being reviewed/re-visited once a year or at such other intervals as deemed necessary for modifications and revisions, if any.

### 27. CORPORATE SOCIAL RESPONSIBILITY (CSR)

As per the provisions of Section 135 of the Companies Act, 2013, a Corporate Social

Responsibility (CSR) Committee has been constituted by the Board of Directors.

The Corporate Social Responsibility Committee (CSR Committee) has formulated and recommended to the Board, a Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by the Company, which has been approved by the Board.

The CSR Policy may be accessed on the Company's website at the [www.rsdfinancelimited.com](http://www.rsdfinancelimited.com)

The report on the CSR activities as required under the Companies (Corporate Social Responsibility Policy) Rules, 2014 is attached as "Annexure - 3" and forms an integral part of the report.

## 28. VIGIL MECHANISM/WHISTLE BLOWER POLICY

The Company promotes ethical behaviour in all its business activities and has put in place a mechanism for reporting illegal or unethical behavior. The employees are free to report violations of applicable laws and regulations and the Code of Conduct.

The policy provides for a formal mechanism for all the directors and the employees to report to the Management their genuine concerns or grievances about unethical behavior, actual or suspected fraud and any violation of the Company's Code of Business Conduct and Ethics policy.

The Company has selected a Nodal officer to whom disclosures are to be made. The Policy is available on the Company's Website [www.rsdfinancelimited.com](http://www.rsdfinancelimited.com)

## 29. POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

The Board has, on recommendation of the Nomination and Remuneration Committee,

formulated a policy for selection and appointment of Directors, senior management and their remuneration. There have been no changes in the said policy during the financial year. The policy is available on the Company's website at [www.rsdfinancelimited.com/investor-relations/codes/policies](http://www.rsdfinancelimited.com/investor-relations/codes/policies) (path) and is also annexed and forms part of the report as "Annexure - 4"

## 30. AUDITORS AND THEIR REPORTS

The matters related to Auditors and their Reports are as under:

### Observations of statutory auditors on financial statements for the year ended March 31, 2018:

The Report given by M/s. Prasad Kumar & Co., Chartered Accountants on the financial statements of the Company for the year 2017-18 is part of the Annual Report. In terms of Section 134(2) and 134(3)(ca) of the Act, your Directors are pleased to inform that there are no qualification, reservation or adverse remark or disclaimer made by the Statutory Auditors of the Company in their audit report for the Financial Year 2017-18.

### Secretarial Audit report for the year ended March 31, 2018:

The Secretarial Audit was carried out by Mr. Sital Prasad Swain, Practicing Company Secretary (Membership No. F6338 & CP No - 6814) for the financial year 2017-18. The report in Form "Annexure -5" forms part to this report. In terms of Section 134(3)(f) of the Act, your Directors are pleased to inform that there are no qualification, reservation or adverse remark or disclaimer made by the Secretarial Auditors of the Company in their audit report for the Financial Year 2017-18.

## STATUTORY AUDITORS APPOINTMENT

As per Section 139 of Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, the Members of the Company in its 54<sup>th</sup> Annual General Meeting held on 08<sup>th</sup> September, 2017 approved the appointment of M/s. Prasad Kumar & Co., Chartered Accountants (ICAI Reg. No. 008816C), as the Statutory Auditor of the Company for five consecutive financial years from 2017-18 to 2021-22, subject to ratification of their appointment at every subsequent AGM, if required under the Act. The Ministry of Corporate Affairs has through the Companies (Amendment) Act, 2017, notified certain amendments to the Companies Act, 2013. Accordingly, the provisions relating to the requirement of seeking approval of the Members for ratification of appointment of Statutory Auditors at every AGM has been omitted with effect from 7th May, 2018, and is no more a legal requirement. Accordingly, the Notice convening the ensuing AGM does not include any Resolution for ratification of appointment of the Statutory Auditors of the Company.

Further please note that the Statutory Auditors, M/s. Prasad Kumar & Co. have given their consent to continue as the Statutory Auditors and a declaration that they are not disqualified from continuing as Auditors of the Company.

## SECRETARIAL AUDITOR

In terms of Section 204 of the Companies Act, 2013 and the rules framed thereunder, the Audit Committee recommended and the Board of Directors appointed Mr. Sital Prasad Swain, Practicing Company Secretary (Membership No. F6338 & CP No – 6814) as the Secretarial Auditor of the Company in relation to the Financial Year 2018-19.

The Company has received a written consent from Mr. Sital Prasad Swain that the

appointment is in accordance with the applicable provisions of the Act and rules framed thereunder.

## COST AUDITORS

Being a Non-Banking Financial Company, the provisions of Section 148(1) of the Act with regard to the maintenance of cost records are not applicable to the Company.

## 31. PARTICULARS OF EMPLOYEES

Disclosure required in respect of employees of the Company, in terms of provisions of Sec 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, is provided in the “Annexure – 6” and forms part of this report.

The Managing Director of the Company receives consultancy fees for services rendered in professional capacity from the Company’s subsidiary SRP Oil Pvt. Ltd.

Pursuant to Section 197(12) of the Companies Act, 2013 read with the Rule 5 of the Companies (Appointment of Managerial Personnel) Rules, 2014 no employee, employed throughout the financial year, has drawn a remuneration of more than ₹1.02 crores per annum and no employee, employed for part of the financial year, has drawn a remuneration of more than ₹8.5 lakh per month.

## 32. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

The Company, being a non-banking finance Company registered with the Reserve Bank of India is exempt from complying with the provisions of section 186 of the Companies Act, 2013,



### 33. PREVENTION OF INSIDER TRADING

The Company has adopted a Code of Conduct for Prevention of Insider Trading for its Designated Persons in compliance with the SEBI (Prohibition of Insider Trading) Regulations, 2015. The Code lays down Guidelines, which advise the insiders on procedures to be followed and disclosures to be made, while dealing with the shares of the Company, and cautioning them of the consequences of violations. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed.

The code of conduct for Prevention of Insider Trading is posted on the website of the Company and can be accessed at: [www.rsdfinancelimited.com](http://www.rsdfinancelimited.com)

All the Board of Directors and designated employees have confirmed compliance with the Code.

### 34. EXTRACT OF ANNUAL RETURN

Pursuant to the provisions of Section 134(3)(a) of the Companies Act, 2013, Extract of the Annual Return for the financial year ended March 31, 2018 made under the provisions of Section 92(3) of the Act is attached as "Annexure – 7" and which forms part of this Report.

### 35. MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis Report on the operations of the Company, as required under Chapter IV of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is provided in a separate section and forms an integral part of this Report.

### 36. CORPORATE GOVERNANCE

The Company is committed to maintain the highest standards of Corporate Governance and adhere to the Corporate Governance requirements set out by Securities and Exchange Board of India ("SEBI").

The detailed Corporate Governance Report of the Company in pursuance of the Listing Regulations forms part of the Annual Report of the Company. The requisite Certificate from a Practicing Company Secretary confirming compliance with the conditions of Corporate Governance as stipulated under the Listing Regulations is attached to the Corporate Governance Report.

### 37. 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.

### 38. SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS

Your Directors confirm that there are no significant and material orders passed by the regulators or courts or tribunals that would impact the going concern status of the Company and its future operations.

### 39. INSTANCES OF FRAUD, IF ANY REPORTED BY THE AUDITORS

The Auditors of the Company have not reported any fraud as specified under the second proviso of Section 143(12) of the Act

### 40. HUMAN RESOURCES

Your Company continues to put due emphasis on appropriate human resource development for its business. The employees

of the Company and the group fully identify with the Company's and the groups vision and business goals.

#### 41. POLICY ON PREVENTION OF SEXUAL HARASSMENT OF WOMEN AT THE WORKPLACE

The Company has zero tolerance for sexual harassment at workplace. We have adopted a Policy on Prevention, Prohibition and Redressal of Sexual Harassment at the Workplace and constituted the Internal Complaints Committee in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules there under. The Policy aims to provide protection to employees at the workplace and prevent and redress complaints of sexual harassment and for matters connected or incidental thereto, with the objective of providing a safe working environment, where employees feel secure.

The Company has not received any complaint of sexual harassment during the financial year 2017-18.

#### 42. GENERAL

Your Directors state that no disclosure or reporting is required in respect of the following matters as there were no transactions on these items during the year under review:

1. Issue of equity shares with differential rights as to dividend, voting or otherwise.
2. Issue of shares (including sweat equity shares and ESOP) to the employees of the Company under any scheme.
3. The Company does not have any scheme of provision of money for the purchase of its own shares by employees or by trustees for the benefit of employees.

4. Business Responsibility Report is not applicable on the Company.
5. Formation of Dividend Distribution Policy is not applicable on the Company.

#### 43. APPRECIATION

Your Directors would like to acknowledge the role of all its stakeholders' viz., shareholders, bankers, lenders, borrowers and all others for their continued support to your Company and the confidence and faith that they have always reposed in your Company.

Your Directors acknowledge and appreciate the guidance and support extended by all the Regulatory authorities including Securities Exchange Board of India (SEBI), Reserve Bank of India (RBI), Ministry of Corporate Affairs (MCA), Registrar of Companies, Kolkata (ROC), the Stock Exchanges and the NSDL and CDSL.

We value the professionalism of all the employees who have proved themselves in a challenging environment and whose efforts have stood the Company in good stead and taken it to present level.

**For and on behalf of the Board of Directors**

**Sd/-**

**Rajeev Singh Dugal**  
Managing Director  
DIN – 00052037

**Sd/-**

**Sushil Kumar Khowala**  
Director  
DIN – 00224539

Place: Jamshedpur  
Date: August 14, 2018



## Annexure - 1

## FORM AOC-1

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

STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF  
SUBSIDIARIES

## Part "A" - Subsidiaries

(Amount in ₹)

Sl. No.	Particulars	1	2	3
1.	Name of the Subsidiary	S R P Oil Pvt. Ltd	Precision Automotive Pvt. Ltd	Sigma HTS LLP *
2.	Date since when the subsidiary was acquired	30.09.2015	15.11.2013	15.03.2016
3.	Reporting period for the subsidiary concerned, if different from the holding Company's reporting period	April - March	April - March	April - March
4.	Reporting currency and exchange rate as on the last date of the relevant Financial Year in the case of foreign subsidiaries	Indian Rupees	Indian Rupees	Indian Rupees
5.	Share capital	4,91,70,000 (49,17,000 Equity Shares of Rs. 10 each)	6,81,00,000 (1000 Equity Share of Rs. 100 each and 68,00,000 Pref. Share of Rs. 10 each)	The total contribution decided between the partners is Rs. 12,00,00,000 (12 crores).
6.	Reserves & Surplus	29,13,56,792	69,82,54,413	(3,14,36,977.67)
7.	Total Assets	40,08,35,709	81,65,38,878	33,93,64,885.48
8.	Total Liabilities	40,08,35,709	81,65,38,878	33,93,64,885.48
9.	Investments	17,07,51,672	76,80,02,716	NIL
10.	Turnover	18,30,97,509	8,16,21,517	13,53,26,797.77
11.	Profit before taxation	3,73,30,946	3,36,44,428	(3,14,47,739.12)
12.	Provision for Taxation (Tax Expenses)	67,62,790	31,27,678	NIL
13.	Profit after taxation	3,05,68,156	3,05,16,750	(3,14,47,739.12)
14.	Proposed Dividend (Inclusive of DDT)	NIL	65,47,452	NA
15.	% of shareholding	52.55% Equity	100% Equity	65% Capital

- Names of subsidiaries which are yet to commence operations: **NOT APPLICABLE.**
- Names of subsidiaries which have been liquidated or sold during the year : **NOT APPLICABLE**
- No Company has become a Joint venture or associate during the financial year 2017-18, hence Part – B of form AOC- 1 is not reported.

\* Sigma HTS is a Limited Liability Partnership, 65% stake is owned by Precision Automotive Pvt. Ltd, Wholly owned subsidiary of the Company.

For and on behalf of the Board of Directors

Sd/-

Sd/-

Place: Jamshedpur

Date: August 14, 2018

**Rajeev Singh Dugal**  
Managing Director  
DIN - 00052037

**Sushil Kumar Khowala**  
Director  
DIN - 00224539



## Annexure - 2

## Form No AOC-2

*(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)***PARTICULARS OF CONTRACTS/ARRANGEMENTS ENTERED INTO BY THE COMPANY  
WITH RELATED PARTIES****1. Details of contracts or arrangements or transactions not at arm's length basis:**

All transactions entered into by the Company during the year with related parties were on an arm's length basis.

**2. Details of material contracts or arrangement or transactions at arm's length basis: -**

Name of the related party and nature of relationship	Precision Automotive Private limited, Wholly Owned Subsidiary Company
Nature of contracts/ arrangements/ transactions	Job Work Service
Duration of the contract/ arrangements/ transactions	Long Term
Salient terms of the contracts or agreements or transactions including the value, if any	NA
Date(s) of approval by the Board, if any	The Audit Committee has granted an omnibus approval for transaction with Precision Automotive Pvt. Limited which is further reviewed on a quarterly basis.
Amount paid as advances, if any	Nil

**For and on behalf of the Board of Directors****Sd/-****Sd/-**

**Rajeev Singh Dugal**  
Managing Director  
DIN – 00052037

**Sushil Kumar Khowala**  
Director  
DIN - 00224539

**Place: Jamshedpur****Date: August 14, 2018**

# NOMINATION AND REMUNERATION POLICY

This Nomination and Remuneration Policy is being formulated in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. This policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated by the Nomination and Remuneration Committee (NRC or the Committee) and has been approved by the Board of Directors.

## Definitions:

“**Remuneration**” means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income-tax Act, 1961;

“**Key Managerial Personnel**” means:

- i) Managing Director, or Chief Executive Officer or Manager and in their absence, a Whole-time Director;
- ii) Chief Financial Officer;
- iii) Company Secretary; and
- iv) such other officer as may be prescribed.

“**Senior Managerial Personnel**” mean the personnel of the company who are members of its core management team excluding Board of Directors. Normally, this would comprise all

members of management of rank equivalent to General Manager and above, including all functional heads.

## Objective:

The objective of the policy is to ensure that :-

- To lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Directors (Executive and Non-Executive) and persons who may be appointed in Senior Management and Key Managerial positions.
- To determine remuneration based on the Company’s size and financial position and trends and practices on remuneration prevailing in peer companies.
- the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
- to retain, motivate, promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.
- relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and



- remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

#### **APPOINTMENT AND REMOVAL OF DIRECTOR, KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT**

- The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend his / her appointment, as per Company's Policy.
- A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has authority to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the position.
- Appointment of Independent Directors is subject compliance of provisions of section 149 of the Companies Act, 2013, read with schedule IV and rules there under.
- The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution.
- The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Regulations and the prevailing policy of the Company. The Board will have the discretion to retain

the Director, KMP, Senior Management Personnel in the same position / remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

#### **TERM / TENURE**

##### **a) Managing Director/Whole-time Director:**

- The Nomination and Remuneration Committee shall identify a person according to the requirements of the Company for the above position and recommend their appointment to the Board including the terms of appointment and remuneration.
- The Board shall consider the recommendation of the NRC and accordingly approve the appointment and remuneration. The appointment of MD, JMD, WTD shall be subject to the approval of the Shareholders.
- Appointment of other employees will be made in accordance with the Company's HR Policy.

The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

##### **b) Independent Director:**

An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

No Independent Director shall hold office for more than two consecutive terms of upto maximum of 5 years each, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director.

Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company or such other number as may be prescribed under the Act.

## EVALUATION

The Committee shall carry out evaluation of performance of Director, KMP and Senior Management Personnel yearly or at such intervals as may be considered necessary.

## REMOVAL

The Committee may recommend with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the Companies Act, 2013, rules and regulations and the policy of the Company or by the Board on its own if the person commits a breach of the duties, functions and responsibilities or obligations on any reason prescribed by the law or AOA or the Listing Agreement or for reason of poor performance as measured as a result of performance evaluation.

## POLICY FOR REMUNERATION TO

## DIRECTORS/ KMP/ SENIOR MANAGEMENT PERSONNEL

### 1) Remuneration to Managing Director:

a) The Managing Director shall be eligible for remuneration as may be approved by the Shareholders of the Company on the recommendation of the Committee and the Board of Directors. The Remuneration/ Commission etc. to be paid to Managing Director shall be governed as per provisions of the Companies Act, 2013 and rules made there under or any other enactment for the time being in force and the approvals obtained from the Members of the Company.

b) The Nomination and Remuneration Committee shall make such recommendations to the Board of Directors, as it may consider appropriate with regard to remuneration to Managing Director.

### 2) Remuneration to Non- Executive / Independent Directors:

a) The Non-Executive / Independent Directors may receive sitting fees for attending meeting of the Board and the committee and such other remuneration as permissible under the provisions of Companies Act, 2013. The amount of sitting fees shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors.

b) The profit-linked Commission shall be paid within the monetary limit approved by the Shareholders of the Company subject to the same not exceeding 1% of the net profits of the

Company computed as per the applicable provisions of the Regulations.

- c) An Independent Director shall not be eligible to get Stock Options and also shall not be eligible to participate in any share based payment schemes of the Company. Non-Executive Directors are eligible for Stock Options as approved by the shareholders.
- d) Any remuneration paid to Non-Executive / Independent Directors for services rendered which are of professional in nature shall not be considered as part of the remuneration for the purposes of clause (b) above if the following conditions are satisfied:
  - i) The Services are rendered by such Director in his capacity as the professional; and
  - ii) In the opinion of the Committee, the director possesses the requisite qualification for the practice of that profession.

Any incidental expense incurred by the Directors with relation to the participation in the meetings of the Board and other Sub Committees shall be reimbursed.

### 3) Remuneration to Executive Directors, Key Managerial Personnel and Senior Management:

- a) The remuneration to Key Managerial Personnel and Senior Management shall consist of fixed pay and incentive pay, in compliance with the provisions of the Companies Act, 2013 and in accordance with the Company's Policy.
- b) Remuneration of Executive Directors, Key Managerial Personnel and Senior Management is determined and recommended by the Nomination & Compensation Committee and approved by the Board. Remuneration of Executive Directors is also subject to the approval of the shareholders.
- c) The Incentive pay shall be decided based on the balance between performance of the Company and performance of the Key Managerial Personnel and Senior Management, to be decided annually or at such intervals as may be considered appropriate.

### IMPLEMENTATION

- The Committee may issue guidelines, procedures, formats, reporting mechanism and manuals in supplement and for better implementation of this policy as considered appropriate.

The Committee may Delegate any of its powers to one or more of its members.



# ANNUAL REPORT ON CSR ACTIVITIES

**1. A Brief outline of the Company's CSR policy, including overview of projects or programmes proposed to be undertaken and a reference to the web- link to the CSR policy and project or programs.**

The Company intends to make a positive difference to the society and to contribute its share towards the social cause of betterment of the society through Social, Economic and Environmental Development of the community in which it operates and thereby creating value for the nation.

In this regard, the Company has made the policy which encompasses the Company's philosophy for delineating its responsibility as a Corporate Citizen and lays down the guidelines and mechanism for undertaking socially useful programmes for welfare & sustainable development of the community at large which is based as per the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014 rules made there under. The CSR policy is placed on the Company's website at [www.rsdfinancelimited.com](http://www.rsdfinancelimited.com).

## **Activities under CSR:**

The Company will carry out CSR activities as specified in Schedule VII to the Companies Act, 2013, including any amendments to it but will not be limited to the following:

- a) Eradicating hunger, poverty and malnutrition;
- b) Promoting Health care including Preventive Health care;
- c) Promotion of education especially among children, women, elderly and the differently abled;
- d) Employment and livelihood enhancing vocational skills and projects;
- e) Ensuring environmental sustainability and ecological balance;
- f) Promoting gender equality and empowering women;
- g) Rural development project;
- h) Undertaking and supporting rehabilitation measures post disaster;
- i) Setting public libraries;
- j) Such other activities as the Board may consider being appropriate.



Web link to the CSR Policy:

The CSR Policy can be viewed at [www.rsdfinancelimited.com](http://www.rsdfinancelimited.com)

## 2. The composition of the CSR Committee

The Chairperson and Members of the Committee are as follows:

Mr. Rajeev Singh Dugal	Chairperson
Mr. Sushil Kumar Khowala	Member
Ms. Upneet Dugal	Member

## 3. Average Net profit of the Company for last three financial years.

Pursuant to the provisions of Section 198 of Companies Act, 2013, Average net profit for last three financial years is ₹ 348.59 Lakhs.

## 4. Prescribed CSR Expenditure (Two percent of amount as in Item no. 3)

The Company was required to spend an amount of ₹ 6.97 Lacs towards CSR activities for the financial year 2017-18.

## 5. Details of CSR spent during the financial year:

a) Total amount to be spent for the financial year – ₹ 6.97 Lakhs

b) Amount unspent, if any – ₹ 5.97 Lakhs

c) Manner in which the amount spent during the financial year is detailed below

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
SI. No	CSR project or activity Identified.	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects Or programs Sub-heads:  (1) Direct expenditure on projects or programs (2) Overheads:	Cumulative expenditure upto to the reporting period	Amount spent: Direct or through implementing agency *



1.	Contribution towards building of Gummada at Gurudwara Sahib	Pt. (v) of Schedule VII – Protection of Art and Culture	Jamshedpur, Jharkhand, East Singhbhum	1,00,000/-	1,00,000/-	1,00,000/-	Amount spent Directly
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**6. In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the reasons for not spending the amount in its Board report.**

During the year under review, the Company created the CSR Policy & implemented a plan to ensure that its CSR initiatives are sustainable and truly beneficial to the community in the long run. The CSR Committee had series of meetings and discussions with number of NGO partners to actively support and channelize the activities/ projects/ programmes and identify and evaluate projects to be undertaken by the Company in line with the Company's CSR objectives.

Even after meeting number of such NGO partner's the Company was only able to spend a nominal part of its required CSR expenditure for the year under review. The Company is in the process of identifying various projects for positively improving the communities in which we operate by focusing on sustainability of these projects & empowerment of the communities.

Further, the Company regularly spends money on various activities aimed at serving the communities around the office and factory. The Company will keep up this momentum, despite spends on such social responsibility activities not qualifying as CSR expenses under the Companies Act, 2013.

**7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.**

We hereby affirm that constant efforts are being put to implement the CSR Policy, as approved by the Board, and the CSR Committee monitors the implementation and activities in compliance with our CSR objectives.

**For and on behalf of the CSR Committee**

Sd/-

Sd/-

**Sushil Kumar Khowala**  
Director  
DIN – 00052037

**Rajeev Singh Dugal**  
Chairman of CSR Committee  
DIN - 00224539

Date: August 14, 2018  
Place: Jamshedpur

# SECRETARIAL AUDIT REPORT

(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)

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2018

To  
**The Members,**  
**RSD Finance Limited**  
224, AJC Bose Road  
Krishna Building  
9<sup>th</sup> Floor, Room No - 902  
Kolkata – 700 017

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

Based on my 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 and subject to my separate letter attached as “ANNEXURE – A”, I hereby report that in my opinion, the Company has, during the financial year ended on March 31, 2018 (the audit period) complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company during the audit period according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the Rules made there under;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowing - Provisions of Overseas Direct Investment and External Commercial Borrowings are not applicable.
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act):-
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;



- c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 - Not Applicable as the Company has not issued any shares during the year under review;
- d. 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) Regulations, 2014 w.e.f. October 28, 2014 - Not applicable as the Company has not issued any shares/options to directors/employees under the said guidelines/ regulations during the year under review;
- e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - Not applicable as the Company has not issued any debt securities during the year under review;
- f. 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;
- g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - Not Applicable to the Company during the Audit Period; and
- h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 - Not Applicable to the Company during the Audit Period;
- vi. Rules, Regulations and Guidelines issued by the Reserve Bank of India as are applicable to Non -Deposit taking Non-Banking Financial

Companies which are applicable to the Company.

- vii. I have relied on the representation made by the Company and its Officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws and Regulations to the Company.

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

- i) SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015; and
- ii) Secretarial Standards including the amended Secretarial standards applicable with effect from 01st October, 2017 issued by The Institute of Company Secretaries of India under the provisions of the Companies Act, 2013.

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

I further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.

I have examined the systems and processes established by the Company to ensure the compliance with general laws including Labour Laws, Employees Provident Funds Act, Employees State Insurance Act, Payment of Gratuity Act & other State Laws, considering and relying upon representations made by the Company and its Officers for systems and mechanisms formed by the Company for compliance under these laws and other applicable sector specific Acts, Laws, Rules and Regulations applicable to the Company and its observance by them.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

Based on such checks as considered appropriate and documents provided by the Company, I observed that the specific laws, as applicable to

the Company are being duly complied with.

I further report that during the audit period the Company has not passed any Special Resolution and that there were no specific event/ action having a major effect on the Company's affair in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

This report is to be read out with our letter of even date which is annexed as "ANNEXURE - A" and forms an integral part of this report.

Sd/-

**Sital Prasad Swain**  
*Practicing Company Secretary*  
F6338 CP No.6814

Place: Jamshedpur  
Dated: May 30, 2018



## ANNEXURE “A”

To

The Members,  
**RSD Finance Limited**  
224, AJC Bose Road  
Krishna Building  
9<sup>th</sup> Floor, Room No - 902  
Kolkata – 700 017

My Secretarial Audit Report for the financial year March 31, 2018 of even date is to be read along with this annexure.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I 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. I earnestly believe that the processes and practices I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

4. Wherever required, I 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. My 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.

Sd/-

**Sital Prasad Swain**  
*Practicing Company Secretary*  
F6338 CP No.6814

Place: Jamshedpur  
Date: May 30, 2018

*Annexure - 6*

*DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013, READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014 AND COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) AMENDMENT RULES, 2016*

**I.****A. The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2017-18:**

Name of Director	Designation	Ratio to median remuneration of Employees
Rajeev Singh Dugal	Managing Director	6.12
Upneet Dugal	Executive Director	4.59

All the Non-Executive Directors of the Company are Independent Directors and have only been paid sitting fees. The details of sitting fees paid are provided in the Corporate Governance Report. In the above ratio of remuneration and percentage increase in remuneration, sitting fees paid to Non-executive Directors, have not been considered.

**B. The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial Year 2017-18:**

Sl. No.	Name of Director / KMP	Designation	% increase in Remuneration
1.	Rajeev Singh Dugal	Managing Director	NIL
2.	Upneet Dugal	Executive Director	NIL
3.	Rechan Chhabra	Chief Financial Officer	23.27%
4.	Puja Choudhary	Company Secretary	15.00%





**C. The percentage increase in the median remuneration of the employees in the FY 2017 - 2018:-**

There has been an increase of 14.47 % in the median remuneration of the employees of the Company in FY 2017 - 2018 as compared to FY 2016 - 2017.

**D. The number of permanent employees on the rolls of the Company as on 31st March, 2018:-**

There were 10 employees on the rolls of the Company.

**E. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:-**

There is 6.06% increase in the salaries of employees other than managerial personnel and 16.61% average increase in the salaries of managerial personnel during the year.

Justification for increase: The increase is in line with the increase in the Company's performance, anticipation of future growth of the Company and the Industrial standards.

**F. Affirmation that the remuneration is as per Remuneration Policy of the Company:-**

It is hereby affirmed that the remuneration paid to KMPs and other employees are as per the Nomination & Remuneration Policy of the Company.

**II. During the year the Company had not engaged any employee drawing remuneration exceeding the limit specified under Section 197(12) read with rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.**

**For and on behalf of the Board of Directors**

**Sd/-**

**Sd/-**

**Rajeev Singh Dugal  
Managing Director  
DIN – 00052037**

**Sushil Kumar Khowala  
Director  
DIN - 00224539**

Place: Jamshedpur

Date: August 14, 2018



## Annexure - 7

## EXTRACT OF ANNUAL RETURN

FORM NO. MGT 9

As on financial year ended on March 31, 2018

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

## 1. REGISTRATION &amp; OTHER DETAILS:

i) Corporate Identity Number	L17222WB1963PLC025749
ii) Registration Date	February 04, 1963
iii) Name of the Company	RSD Finance Limited
iv) Category/Sub-category of the Company	Public Company limited by Shares
v) Address of the Registered office & contact details	224, A J C Bose Road, Krishna Building, 9th Floor, Room no - 902, Kolkata, West Bengal - 700 017
vi) Whether listed Company	Yes
vii) Name, Address & contact details of the Registrar & Transfer Agent, if any.	S K Infosolutions Pvt. Ltd., 34/1A, Sudhir Chatterjee Street, Kolkata - 700 006 Contact No. - 033-22196797/ 4815

## 2. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

(Contributing 10% or more of the total turnover of the Company)

SL	Name & Description of main	NIC Code of the Product	% to total turnover of
1	Investing & Financing Activities	6499-64990	80.15%
2	Treatment and Coating of metals	2592-25920	17.03%

## 3. PARTICULARS OF HOLDING , SUBSIDIARY &amp; ASSOCIATE COMPANIES:

Sl. No	Name & Address of the Company	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
1	Precision Automotive Pvt. Ltd.	U35900DL2005PTC319493	Subsidiary	100%	2(87)
2	S R P Oil Pvt. Ltd.	U23209DL1996PTC303594	Subsidiary	52.55%	2(87)
3	Sigma HTS LLP	Not Applicable	Subsidiary	65%	2(87)

**4. SHAREHOLDING PATTERN (Equity Share capital Break up as % to total Equity)****i. Category Wise Shareholding**

Category of Shareholders	No. of Shares held at the beginning of the Year (As on 01.04.2017)				No. of Shares held at the end of the Year (As on 31.03.2018)				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	40,58,520	0	40,58,520	62.70%	40,58,520	0	40,58,520	62.70%	0.00%
b) Central Govt. or State Govt.	-	-	-	-	-	-	-	-	-
c) Bodies Corporates	-	-	-	-	-	-	-	-	-
d) Bank/FI	-	-	-	-	-	-	-	-	-
e) Any other	7,91,000	0	7,91,000	12.22%	7,91,000	0	7,91,000	12.22%	0.00%
SUB TOTAL:(A) (1)									
	48,49,520	0	48,49,520	74.92%	48,49,520	0	48,49,520	74.92%	0.00%
(2) Foreign									
a) NRI- Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks/FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
SUB TOTAL (A) (2)									
	0	0	0	0	0	0	0	0	0
TOTAL SHAREHOLDING OF PROMOTER (A)= (A)(1)+(A)(2)									
	48,49,520	0	48,49,520	74.92%	48,49,520	0	48,49,520	74.92%	0.00%

**B. PUBLIC SHAREHOLDING**

<b>(1) Institutions</b>									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks/FI	-	-	-	-	-	-	-	-	-
C) Central govt	-	-	-	-	-	-	-	-	-
d) State Govt.	-	-	-	-	-	-	-	-	-
e) Venture Capital Fund	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIS	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
<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>									
<b>a) Bodies corporates</b>									
i) Indian	6,62,100	3,48,990	10,11,090	15.62%	6,61,600	3,49,190	10,10,790	15.61%	(0.005%)
ii) Overseas	-	-	-	-	-	-	-	-	-
<b>b) Individuals</b>									
i) Individual shareholders holding nominal share capital upto Rs.1 lakhs	16,600	2,35,700	2,52,300	3.90%	34,200	2,21,000	2,55,200	3.94%	0.045%
ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 lakhs	1,83,530	1,76,800	3,60,330	5.57%	1,83,530	1,74,200	3,57,730	5.53%	(0.040%)
<b>c) Others (specify)</b>									
<b>SUB TOTAL (B)(2):</b>	<b>8,62,230</b>	<b>7,61,490</b>	<b>16,23,720</b>	<b>25.08%</b>	<b>8,79,330</b>	<b>7,44,390</b>	<b>16,23,720</b>	<b>25.08%</b>	<b>0.00%</b>
<b>TOTAL PUBLIC SHAREHOLDING (B)= (B)(1)+(B)(2)</b>	<b>8,62,230</b>	<b>7,61,490</b>	<b>16,23,720</b>	<b>25.08%</b>	<b>8,79,330</b>	<b>7,44,390</b>	<b>16,23,720</b>	<b>25.08%</b>	<b>0.00%</b>
<b>C. SHARES HELD BY CUSTODIAN FOR GDRS &amp; ADRS</b>									
	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>57,11,750</b>	<b>7,61,490</b>	<b>64,73,240</b>	<b>100%</b>	<b>57,28,850</b>	<b>7,44,390</b>	<b>64,73,240</b>	<b>100%</b>	<b>0.00%</b>





## ii. Share Holding of Promoters/ Promoter Group

Sl No.	Shareholders Name	Shareholding at the beginning of the year (As on 01.04.2017)			Shareholding at the end of the year (As on 31.03.2018)			% change in shareholding during the year
		No of shares	% of total shares of the Company	% of shares pledged encumbered to total shares	No of shares	% of total shares of the Company	% of shares pledged encumbered to total shares	
1	Rajeev Singh Dugal	40,44,540	62.48%	NIL	40,44,540	62.48%	NIL	0.00%
2	Kashvi Dugal	13,980	0.22%	NIL	13,980	0.22%	NIL	0.00%
3	K U Benefit Trust	7,91,000	12.22%	NIL	7,91,000	12.22%	NIL	0.00%
	<b>Total</b>	<b>48,49,520</b>	<b>74.92%</b>	<b>NIL</b>	<b>48,49,520</b>	<b>74.92%</b>	<b>NIL</b>	<b>0.00%</b>

## iii. Change in Promoters' Shareholding

Particulars	Shareholding at the beginning of the Year (As on 01.04.2017)		Cumulative Shareholding during the year (As on 31.03.2018)	
	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
At the beginning of the year	48,49,520	74.92%	48,49,520	74.92%
Date wise increase/decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment/transfer/bonus/sweat equity etc)	Nil	0%	Nil	0%
At the end of the year	48,49,520	74.92%	48,49,520	74.92%



## IV. Shareholding Pattern of Top Ten Shareholders (Other than Directors, Promoters &amp; Holders of GDRs &amp; ADRs)

Sl. No.	Name of the Shareholder	Shareholding at the beginning of the year (As on 01.04.2017)		Transactions during the Year		Cumulative shareholding at the end of the year (As on 31.03.2018)	
		No. of shares	% of total shares of the Company	No of shares increase/decrease	% of total shares of the Company	No of shares	% of total shares of the Company
1	Mrigaya Tieup Pvt Ltd	3,12,500	4.83%	-	-	3,12,500	4.83%
2	Narsingh Agro Industries LLP	2,55,000	3.94%	(77)	0.001%	2,54,923	3.94%
3	Vintage Tradelinks Private Limited	1,98,700	3.07%	(400)	0.006%	1,98,300	3.06%
4	Arkaya Agrodeal LLP	2,43,990	3.77%	-	-	2,43,990	3.77%
5	Tara Khowala	1,01,030	1.56%	-	-	1,01,030	1.56%
6	Roop Narayan Choudhary <sup>@</sup>	64,500	1.00%	-	-	64,500	1.00%
7	Geeta Jayesh Taunk	50,000	0.77%	(300)	0.005%	49,700	0.77%
8	Jyoti Bhatia	51,800	0.80%	(2,300)	0.036%	49,500	0.76%
9	Srawan Khowala	4,000	0.06%	-	-	4,000	0.06%
10	Gyan Chand Mehta	2,500	0.04%	-	-	2,500	0.04%
11	Indumati H Jain	2,500	0.04%	-	-	2,500	0.04%
12	Madan Jain	2,500	0.04%	-	-	2,500	0.04%
13	Manish Mehta	2,500	0.04%	-	-	2,500	0.04%
14	Pushpa Mehta	2,500	0.04%	-	-	2,500	0.04%
15	Rameshbhai Tokarshi	2,500	0.04%	-	-	2,500	0.04%
16	Sohanben V Jain	2,500	0.04%	-	-	2,500	0.04%
17	Vijay R Jain	2,500	0.04%	-	-	2,500	0.04%
18	Harish Vijaykumar Jain	2,500	0.04%	-	-	2,500	0.04%

Figures in bracket signify the sales made during the year.

<sup>@</sup> Mr. Roop Narayan Choudhary was not in the list of top 10 shareholders on 01.04.2017 as he was a Director of the Company. He ceased to be a Director with effect from 08<sup>th</sup> September, 2017 and hence included in the list on 31.03.2018

Mr. Jayesh Taunk was in the list of top 10 shareholders as on 01.04.2017. He has been appointed as a Director of the Company with effect from 12<sup>th</sup> September, 2017 and hence not included in the list.



## V. Shareholding of Directors &amp; KMP

Sl. No	For Each of the Directors & KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No of shares	% of total shares of the Company
<b>1</b>	<b>At the beginning of the year</b>				
	i) Rajeev Singh Dugal	40,44,540	62.48%		
	ii) Sushil Kumar Khowala	18,000	0.28%		
	iii) Roop Narayan Choudhary <sup>1</sup>	64,500	1.00%		
	iv) Jayesh Taunk <sup>2</sup>	75,000	1.16%		
<b>2</b>	<b>Increase/decrease in Promoters Shareholding during the year</b>				
	i) Rajeev Singh Dugal			NIL	NIL
	ii) Sushil Kumar Khowala			NIL	NIL
	iii) Roop Narayan Choudhary <sup>1</sup>			NIL	NIL
	iv) Jayesh Taunk <sup>2</sup>			NIL	NIL
<b>3</b>	<b>At the end of the year</b>				
	i) Rajeev Singh Dugal			40,44,540	62.48%
	ii) Sushil Kumar Khowala			18,000	0.28%
	iii) Roop Narayan Choudhary <sup>1</sup>			64,500	1.00%
	iv) Jayesh Taunk <sup>2</sup>			75,000	1.16%

\*Other Directors and KMP donot hold any shares in the Company

**Notes:**

- 1 Mr. Roop Narayan Choudhary ceased to be a Director of the Company with effect from 08<sup>th</sup> September, 2017.
- 2 Mr. Jayesh Taunk has been appointed as a Director of the Company with effect from 12<sup>th</sup> September, 2017.



## 5. INDEBTEDNESS

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

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	7,67,977.00	43,78,041.00	Nil	51,46,018.00
ii) Interest due but not paid	Nil	2,36,414.00	Nil	2,36,414.00
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
<b>Total (i+ii+iii)</b>	<b>7,67,977.00</b>	<b>46,14,455.00</b>	<b>Nil</b>	<b>53,82,432.00</b>
<b>Change in Indebtedness during the financial year</b>				
Additions	8,64,068.72	2,03,972.00	Nil	10,68,040.72
Reduction	Nil	Nil	Nil	Nil
<b>Net Change</b>	<b>8,64,068.72</b>	<b>2,03,972.00</b>	<b>Nil</b>	<b>10,68,040.72</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	16,32,045.72	46,14,455.00	Nil	62,46,500.72
ii) Interest due but not paid	Nil	2,03,972.00	Nil	2,03,972.00
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
<b>Total (i+ii+iii)</b>	<b>16,32,045.72</b>	<b>48,18,427.00</b>	<b>Nil</b>	<b>64,50,472.72</b>





## 6. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl.No	Particulars of Remuneration	MD/WTD/Manager		
		RAJEEV SINGH DUGAL	UPNEET DUGAL	TOTAL
1	Gross salary	12,00,000.00	9,00,000.00	21,00,000.00
	(a) Salary as per provisions contained in section 17(1) of the Income Tax, 1961.	N.A.	N.A.	N.A.
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	N.A.	N.A.	N.A.
	(c ) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	N.A.	N.A.	N.A.
2	Stock option	N.A.	N.A.	N.A.
3	Sweat Equity	N.A.	N.A.	N.A.
4	Commission as % of profit	N.A.	N.A.	N.A.
5	Others, please specify	N.A.	N.A.	N.A.
<b>Total (A)</b>		<b>12,00,000.00</b>	<b>9,00,000.00</b>	<b>21,00,000.00</b>
Ceiling as per the Act		₹34,05,473 (Being 10% of Net profits of the Company calculated as per provisions of Section 198 of the Companies Act, 2013) *		

\* Remuneration paid to the Directors is within the ceiling provided under Section 197 of the Companies Act, 2013.

**B. Remuneration to other directors:**

Sl. No	Particulars of Remuneration	Name of Directors				Total Amount
1	Independent Directors	Anureet Kaur <sup>1</sup>	Sushil Kumar Khowala	Malkeet Singh Saini	Jayesh Taunk <sup>2</sup>	
a)	Fee for attending Board/ Committee meetings	1,000.00	10,000.00	10,000.00	6,000.00	27,000.00
b)	Commission	-	-	-	-	-
c)	Others, please specify	-	-	-	-	-
<b>Total (1)</b>		<b>1,000.00</b>	<b>10,000.00</b>	<b>10,000.00</b>	<b>6,000.00</b>	<b>27,000.00</b>
Other Non - Executive Directors		<b>Roop Narayan Choudhary<sup>3</sup></b>				
(a)	Fee for attending Board/ Committee meetings	Nil				
(b)	Commission	-				
(c)	Others, please specify.	-				
<b>Total (2)</b>		-				
<b>Total (B)=(1+2)</b>		-				<b>27,000.00</b>
<b>Total Managerial Remuneration(A+B)</b>						<b>21,27,000.00</b>
<b>Ceiling as per the Act</b>		The Company can pay a sitting fee of ₹1,00,000 to each of the Directors for attending each meeting of the Board and its Committees.				
<b>Overall Ceiling as per the Act</b>		<b>Non- Executive Directors have only been paid sitting fees.</b> Overall ceiling as per Companies Act, 2013 is not applicable to sitting fees paid to Non-Executive Directors.				

1 Resigned w.e.f June 14, 2017

2 Appointed w.e.f September 12, 2017

3 Retired by rotation and not re-appointed w.e.f 8th September, 2017

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

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		Total
		Mr. Rechan Chhabra (Chief Financial Officer)	Ms. Puja Choudhary (Company Secretary)	
1	Gross Salary	10,17,000.00	3,39,395.00	13,56,395.00
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	-	-	-
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	NA	NA	NA
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	NA	NA	NA
2	Stock Option	NA	NA	NA
3	Sweat Equity	NA	NA	NA
4	Commission as % of profit	NA	NA	NA
5	Others, please specify	NA	NA	NA
<b>Total</b>		<b>10,17,000.00</b>	<b>3,39,395.00</b>	<b>13,56,395.00</b>

**7. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES**

There were no penalties, punishment or compounding of offences during the year ended 31st March, 2018.

**For and on behalf of the Board of Directors**

Sd/-  
**Rajeev Singh Dugal**  
**Managing Director**  
**DIN – 00052037**

Sd/-  
**Sushil Kumar Khowala**  
**Director**  
**DIN - 00224539**

Place: Jamshedpur  
Date: August 14, 2018

# MANAGEMENT DISCUSSION & ANALYSIS REPORT

## 1. OVERVIEW

The Management Discussion and Analysis Report (MDA) is an integrated part of Company's annual financial statements. The purpose of the MDA is to provide a narrative explanation, through the eyes of management, of how the Company has performed in the past, its financial condition, and its future prospects. This report contains a description of the year gone by and some of the key factors that influenced the business of the Company during the year, as well as a fair and unbiased overview of the Company's past, present, and future. There are forward looking statements mentioned in this report which may involve risks and uncertainties, including but not limited to the risk inherent to the Company's growth strategy, change in regulatory norms, economic conditions and other incidental factors. Actual results could differ materially from those expressed or implied.

## 2. GLOBAL ECONOMY

The global economic situation is stabilizing. The world growth strengthened by 3.8% in 2017, as against 3.2% witnessed in 2016. The International Monetary Fund (IMF) presents a positive outlook. It expects the global economy to grow at 3.9 per cent in this year and the next year.

The healthy growth in the world economy has been majorly driven by positive surprises in the European and Asian economies. The IMF forecasts that the tax rate cut by United States will have an overall favorable impact with a short term impact in the United States which will be mostly driven by the investment in response to the policy changes. However, downside risks persist which can have wider ramifications on other countries.

Growth in advanced economies is predicted to decelerate toward potential rates as the monetary policy normalizes. Further, many of the emerging markets are undergoing a distinct change in the nature of their growth models. They are creating new markets for themselves by diversifying and harnessing technology to make innovative offerings of products and services. It is therefore not a surprise that as per the World Bank forecasts, the Emerging Market and Developing Economies (EMDEs) will be the main drivers of global growth. The EMDEs, after registering a 4.3 per cent growth rate in 2017, is expected to grow at a rate of 4.5 per cent in 2018 and thereafter further strengthen to 4.7 per cent in 2019.

(Source: IMF Report, April, 2018 and World Bank report dated June, 2018)

### 3. INDIAN ECONOMY

India continues to be one of the fastest growing markets in the world. India has recorded the highest growth rate amongst the emerging economies of BRICS (Brazil, Russia, India, China and South Africa).

The International Monetary Fund (IMF) expects India to rise from 6.7 percent in 2017 to 7.3 percent in 2018 and 7.5 percent in 2019. The projection is 0.1 and 0.3 percentage point lower for 2018 and 2019, respectively, than in the April World Economic Outlook, reflecting negative effects of higher oil prices on domestic demand and faster-than-anticipated monetary policy tightening due to higher expected inflation. However, India is still the fastest growing economy, well ahead of 6.6% and 6.4% growth for China.

This growth is largely driven by the accelerated pace of structural reforms, focus towards a rule-based policy framework, improvement in the ease of doing business. The past year has been marked by major taxation reform “Goods and Services Tax” to rationalize and reduce rates, and simplify compliance burdens. Though the initiative faced initial hiccups and uncertainties post its launch, it has brought in more transparency and efficiency into the system.

The Insolvency and Bankruptcy Code (IBC) is another such landmark reform which India sorely lacked. Further, during the year, the Government also proposed a funding of ₹2.11 lakh crore as a part of a recapitalization plan to support stressed public banks. This will enable distressed banks to revive their lending activities.

The positive impact of the Government’s

reformative initiatives was affirmed by Moody’s Investors Services, when it upgraded the country’s credit rating to ‘Baa2’ from ‘Baa3’ which came after a gap of 13 years. This indicates the confidence the global players in the Indian economy. Further India’s rank jumped 30 spots on the World Bank’s Ease of Doing Business rankings to the 100th spot.

(Source: Economic survey 2017-18)

### 4. INDUSTRY STRUCTURE

The Non-Banking Financial Companies (NBFCs) sector is integral to the Indian financial landscape and is contributing commendably towards Government’s agenda of financial inclusion. NBFCs in India have recorded marked growth in recent years. They play a complementary role to the other financial institutions including banks in meeting the funding needs of the economy. They help fill the gaps in the availability of financial services that otherwise occur in bank-dominated financial systems.

The Economic Survey 2017-18 has highlighted that NBFCs bring in diversity and efficiency to the financial sector and makes it more responsive to the needs of the customers. In terms of financial assets, NBFCs have recorded a healthy growth. ICRA’s outlook on NBFC’s credit growth is upward to 17-19% for Financial Year 2018.

NBFCs, in India, are today operating in a very dynamic scenario especially after the revised regulatory framework by the RBI launched with the objective of harmonizing working of NBFCs with banks and financial institutions and address regulatory gaps and arbitrage.



Non - Banking Financial Institutions (NBFIs) is a heterogeneous group of institutions that caters to a wide range of financial requirements and can broadly be divided into Financial Institutions (FIs) and Non-Bank Financial Companies (NBFCs). With the growing importance assigned to financial inclusion, NBFCs have been regarded as important financial intermediaries particular for the small scale and retail sectors. There are two broad categories of NBFCs based on whether they accept public deposit, namely deposit taking NBFCs (NBFC-D) and non-deposit taking NBFCs (NBFC-ND). Your Company is a non-deposit taking NBFCs (NBFC-ND).

## 5. OUTLOOK OF NBFCs

Non-Banking Finance Companies (NBFCs) play an important role in nation building and financial inclusion by complementing the banking sector in reaching out credit to the unbanked segments of society.

The Government of India has introduced several reforms to liberalise, regulate and enhance this industry. The Government and Reserve Bank of India (RBI) have taken various measures to facilitate easy access to finance for Micro, Small and Medium Enterprises (MSMEs). The government's drive to integrate informal economy into the formal segment and reduce unaccounted income, and digital push, if followed through, can significantly change operating dynamics for NBFC's.

Recently, both the regulator and Government have been maintaining a favorable stance towards the sector; starting with the latest announcement where SME loans up to INR20 million by NBFCs will be covered under the CGTMSE guarantee and the

government notification, covering systemically important NBFCs under the SARFAESI Act. These measures would strengthen the NBFCs' ability to lend and mitigate loss given default while speeding up recovery timelines.

Your Company is actively tracking all the developments and the management is confident that the business scenario will improve significantly during FY 2018-19.

## 6. OPPORTUNITIES & THREATS

The present economic scenario augurs well for the financial services industry. The demonetization led to financialisation of savings and the implementation of GST is bringing in more efficiency and transparency while augmenting formalization.

The sentiment in the Indian financial market has changed considerably over the past few years; the economic growth, though subdued for last couple of years, is likely to show positive momentum over the coming years.

Company being an investment Company seeks opportunities in the capital market. The volatility in the stock indices in the financial year under report represents both an opportunity and challenge for the Company. Capital market activities in which most of our activities depend on is also influenced by global events and hence there is an amount of uncertainty in the near term outlook of the market.

Despite great opportunities, there are significant factors presenting threats to our businesses. Impact on economic growth of the rising prices of oil, decelerating investment demand and high inflation; Volatility in the Rupee-US Dollar movement due to various factors including current account deficit;

Reducing capital expenditure by Industries; Regulatory changes impacting the landscape of business; Interest Rate Risk, No access to low cost funds, Slower than expected recovery of macro-economy, domestically as well as globally, or delay in revival of capex cycle. All these factors can impede the growth.

## 7. FINANCIAL PERFORMANCE

### *Revenue from Operations*

During the year, the Company earned total revenue of ₹281.27 lakhs as compared to ₹666.44 lakhs in the previous year.

On a Consolidated basis, Company earned total revenue of ₹3817.43 lakhs compared to ₹3918.28 lakhs in the previous year, a marginal decrease of 2.57% on a year to year basis.

### *Other Income*

In 2018, other Income including Dividend Income and income from sale of investment is ₹415.41 lakhs against ₹75.89 lakhs for 2017.

On a consolidated basis, other income increased to ₹857.66 lakhs as compared to ₹372.89 lakhs in 2017.

### *Expenditure*

Total expenses, excluding depreciation, financial expenses, and provisions amounted to ₹ 266.28 lakhs i.e. 38.22% of net revenue in 2018 as against ₹207.99 lakhs i.e. 28.02% of net revenue in the previous year.

Manufacturing/Job Work expenses amounted to ₹70.05 lakhs in Year 2018 i.e. 10.06% of net revenue as against ₹ 56.83 lakhs i.e. 7.66%

of net revenue in Year 2017.

Further, a provision for substandard asset has been created in the financial year in respect of an asset which has been declared as a non - performing asset on account of interest being overdue for a period exceeding six months.

### *Borrowings*

Total borrowings at the end of 2018 stood at ₹60.15 lakhs against ₹ 48.71 lakhs at the end of 2017.

On a consolidated basis the total borrowings of the Company is ₹1984.87 lakhs compared to ₹2237.24 lakhs in the previous year.

### *PBT, TAX, PAT, Cash Profit*

Profit before tax for the year ended 2018 is ₹340.55 lakhs as compared to ₹519.63 lakhs in 2017. Tax expenses is ₹64.88 lakhs in 2018 as against ₹92.93 lakhs for 2017. The Net Profit after tax for the year 2018 is ₹275.67 lakhs as compared to ₹426.70 lakhs for 2017.

On a consolidated basis, the Profit before tax for the year ended 2018 is ₹670.35 lakhs as compared to ₹1367.57 lakhs in 2017. Tax expenses is ₹163.78 lakhs in 2018 as against ₹302.79 lakhs for 2017. The Net Profit for the year 2018 is ₹471.59 lakhs compared to ₹1000.91 lakhs for 2017.

### *Earnings per Share*

Earnings per share for FY 2018 stood at ₹4.26 per share against ₹6.59 per share for the previous year.

The consolidated EPS stood at ₹7.29 per share as compared to ₹15.46 per share in the FY 2017.

### Dividend

The Company did not declare any dividend and has decided to retain the profits for future investments and to strengthen the business of the Company.

### Share Capital

Paid up Equity Capital of the Company remained at ₹647.32 lakhs.

### Reserves & Surplus

At the end of the 2018, Reserves and Surplus is ₹3694.64 lakhs against ₹3427.32 lakhs at the end of 2017.

The total reserves on a consolidated basis, is ₹12054.48 lakhs which has increased by ₹462.05 lakhs compared to the previous financial year.

### SEGMENT-WISE PERFORMANCE

The Investment and Financial Segment has posted a revenue of ₹1008.53 lakhs (Previous Year ₹1664.84 lakhs), Job Work segment has posted a revenue of ₹504.37 lakhs (Previous Year ₹1288.35 lakhs), Hotel segment has posted a revenue of ₹1830.97 lakhs (Previous Year ₹1360.98 lakhs) and heat treatment activity generated revenue of ₹1353.27 lakhs (Previous Year ₹1.68 lakhs) including inter segmental revenue of ₹22.05 Lakhs. The net capital employed (Segment Asset – Segment Liability) is at ₹14232.55 lakhs as compared to ₹13735.52 lakhs in the previous year.

On a standalone basis, the Investment and Financial Segment posted segment revenue of ₹578.04 lakhs (Previous Year revenue of ₹672.54 lakhs) and the Job Work segment has

recorded a profit of ₹118.65 lakhs (Previous Year profit of ₹69.79 lakhs). The Net capital Employed (Segment Assets – Segment Liabilities) amounts to ₹4341.97 lakhs (Previous Year ₹4074.64 lakhs).

The Company operates only in India, hence there is no other significant geographical segment that requires disclosure.

## 8. RISKS AND CONCERNS

Risk is an integral part of the Company's business and sound risk management is critical to the success of any organization. The Company 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 Company is mainly exposed to market risks in the form of reduction in the value of its investment and fall in return due to dip in the investee Company's performance. The investments represent a material portion of the Company's business and are vulnerable to fluctuation in the stock market.

Further, change in regulatory requirements for NBFCs from time to time, can have a bearing on the running of the Company. The overall economic fluctuations/ slowdown and its impact on service sector are also a cause of concern.

The Company is aware of the need to better understand, anticipate, evaluate and mitigate risks in order to minimize its impact on business. The Company has put in place a Risk Management Policy to ensure that all the current and future material risk exposures of the Company are identified, assessed,

quantified, appropriately mitigated, minimized and managed.

The performance of the Company is dependent on the Indian Capital markets for its returns. Even though it is envisaged that stock market will continue to do well, but global concerns can result in sharp corrections.

## 9. INTERNAL CONTROL SYSTEM

Effective internal controls are necessary for building up an efficient organization. Your Company has in place, an adequate internal control and internal audit system managed by qualified and experienced people to ensure the compliances under statutory regulations. Corporate policies are made to figure out the weaknesses persisting in the system and suggest remedial measure for the same.

The system is improved and modified continuously to meet with the changes in business condition, statutory and accounting requirements. Internal controls are supplemented by an effective Internal Audit being carried out by M/s. Heerwal & Associates, Chartered Accountant and are periodically reviewed by the management.

The Audit Committee also met the Company's statutory auditors to ascertain their views on the financial statements, including the financial reporting system, compliance to accounting policies and procedures, the adequacy and effectiveness of the internal control and systems followed by the Company.

## 10. HUMAN RESOURCES MANAGEMENT

The Company always regards human resources as its most valuable asset and ensures friendly work environment that encourages initiatives by individuals and recognizes their performance.

To maintain competency and to improve the analytical abilities of employees for gearing them to face challenges, proper training and development is imparted by the Company before the employee takes up any responsibility. Our Company has always valued its employees whose dedication and contribution have helped us to reach the levels of excellence and rewarded them appropriately during the appraisal.

## 11. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013.

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy. The following is a summary of sexual harassment complaints received and disposed off during the year 2017-18.

Number of complaints received: Nil  
Number of complaints disposed off: Nil

### Cautionary Statement

Statements in the Management Discussion and

*Analysis describing the Company's objectives, projections, estimate, expectations may be "forward-looking statements" within the meaning of applicable securities laws and regulations. Important factors that could make a difference to the Company's operations include changes in Government regulations, tax regimes, economic developments within India and other such factors over which the Company does not have any direct control.*

**For and on behalf of the Board of Directors**

**Sd/-  
Rajeev Singh Dugal  
Managing Director  
DIN – 00052037**

**Sd/-  
Sushil Kumar Khowala  
Director  
DIN – 00224539**

**Place: Jamshedpur**

**Date: August 14, 2018**



# CORPORATE GOVERNANCE REPORT

This Corporate Governance Report relating to the year ended on March 31, 2018 has been issued in compliance with the applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and forms a part of the Report of the Directors to the Members of the Company.

## THE COMPANY'S CORPORATE GOVERNANCE PHILOSOPHY

Corporate Governance is about maintaining a valuable relationship and trust with all the stakeholders. We consider stakeholders as partners in our success and remain committed to maximizing the stakeholders' value. We are committed to the principles of good governance and believe that good governance generates goodwill amongst the stakeholders.

The Company continues to lay great emphasis on the highest standards of Corporate Governance. The Board along with its Committees undertakes its fiduciary responsibilities to all its stakeholders by ensuring transparency, fairness and independence in its decision making. The Company has a strong legacy of conducting its business and operations in ethical, strong and transparent manner with due compliance of all the laws.

The Company believes that good Corporate Governance is a continuous process and strives to improve the Corporate Governance practices to meet shareholder's expectations. It is an upward-moving target that we collectively strive towards achieving. The Company confirms

compliance of Corporate Governance as contained in chapter IV read with schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, details of which are given below:

## 1. BOARD OF DIRECTORS

The Company believes that an active, well-informed and independent board is necessary to ensure the highest standards of corporate governance.

The Board of the Company comprises of five Directors as on 31 March, 2018 with an optimum combination of Executive and Non-Executive Directors including a woman director in conformity with Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 149 of the Companies Act, 2013. The present strength of the Board of Directors is a mix of three Non- Executive Directors and one Executive Director and one Managing Director. All the three Non-Executive Directors are Independent Directors. All the Directors are well qualified professionals in their respective arenas.

Category	Number of Directors	% to total number of Directors
Executive Directors	2	40%
Non-Executive Independent Directors	3	60%
Total	5	100%

### Details of Board Meetings held during the financial year ended March 31, 2018:

Minimum four Board meetings are held every year. Additional meetings are held to address specific needs of the Company. In case of any exigency/ emergency, resolutions are passed by circulation. During the financial year 2017-18 the Board of Directors met six times on - May, 30, 2017, August, 14, 2017, September, 12, 2017, November 14, 2017, February 14, 2018, and March 20, 2018. The maximum gap between any two Board Meetings was less than 120 days. The necessary quorum was present for all the meetings. All material information was circulated to the directors before the meeting or placed at the meeting, including minimum information required to be made available to the Board as prescribed under Regulation 17 of the Listing Regulations and secretarial standards.

### Directors' Attendance Record and their other Directorships/ Committee memberships

As mandated by Regulation 26(1)(b) of the Listing Regulations, none of the Directors is a member of more than ten (10) Board Level Committees (considering only Audit Committee and Stakeholders Relationship Committee) or Chairman of more than five (5) Committees across all public limited companies (listed or unlisted) in which he/she is a Director. None of the Directors on the Company hold Directorships in more than 20 companies, including 10 public companies. Further all Directors have informed about necessary disclosures regarding their directorships as required under Section 184 of the Act and the Committee positions held by them in other companies as stipulated under Regulation 26 of Listing Regulations.

The names and categories of the Directors on the Board, their attendance at Board Meetings held during the year and at the last Annual General Meeting (AGM) and the number of Directorships and Committee Chairmanships /Memberships held by them in other public limited companies as on March 31, 2018 are given herein below.

NAME OF DIRECTOR	CATEGORY #	ATTENDANCE PARTICULARS		NO. OF DIRECTORSHIPS IN OTHER COMPANIES	NO. OF COMMITTEE MEMBERSHIPS IN OTHER COMPANIES	
		Number of Board Meetings	Last AGM held on 08.09.2017		Chairman	Member
Mr. Rajeev Singh Dugal	ED & MD	06	Yes	2	Nil	Nil
Mr. Sushil Khowala	NED & ID	04	Yes	5	Nil	Nil
Mr. Malkeet Singh Saini	NED & ID	06	Yes	Nil	Nil	Nil
Mr. Jayesh Taunk <sup>I</sup>	NED & ID	04	NA	Nil	Nil	Nil
Ms. Upneet Dugal	ED	02	Yes	Nil	Nil	Nil
Ms. Anureet Kaur <sup>II</sup>	NED & ID	01	NA	Nil	Nil	Nil

#NED – Non-Executive Director, ID –Independent Director, ED – Executive Director, MD – Managing Director

**Notes:**

- I. Mr. Jayesh Taunk has been appointed as an Additional Director on September 12, 2017 and on an invitation attended the said Meeting. Three meetings were held since his appointment.
- II. Ms. Anureet Kaur stepped down from the Board with effect from June 14, 2017. The Board places on record its sincere appreciation for her contribution and guidance to the Company.
- III. Other Directorships excludes Private Limited Companies which is not subsidiary of a Public Company, Foreign Companies, Alternate Directorships and Companies registered under Section 8 of the Companies Act, 2013.
- IV. As per Regulation 26 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 Membership and Chairmanship of Audit Committee and Stakeholders Relationship Committee are only considered.
- V. The Executive Directors of the Company, Mr. Rajeev Singh Dugal and Ms. Upneet Dugal are related to each other in terms of the definition of relative as per Section 2(77) of the Companies Act, 2013. Declarations in this regard have been received by the Company. None of the other Directors on the Board are related to each other
- VI. As per the declarations received by the Company from each of the Directors, none of them are disqualified under Section 164(2) of the Companies Act, 2013.

**2. DIRECTORS' PROFILE**

A brief resume of the Directors, nature of their expertise in specific functional areas are available on the website of the Company:

[www.rsdfinancelimited.com](http://www.rsdfinancelimited.com)

**3. INDEPENDENT DIRECTORS**

Independent Directors are Non-Executive Directors as defined under Regulation 16(1)(b) of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 and Section 149(6) of the Companies Act, 2013. The maximum tenure of Independent Directors is in compliance with the Act. All the Independent Directors have confirmed that they meet the criteria of independence as mentioned under Regulation 16(1)(b) of the SEBI Listing Regulations and Section 149(6) of the Act.

**4. NUMBER OF INDEPENDENT DIRECTORSHIPS**

None of the Independent Directors hold office as an Independent Director in more than seven listed companies or serves as a whole-time director of any listed Company as stipulated under Regulation 25 of the Listing Regulations. Further the Executive Director of the Company is not serving as an Independent Director in any listed Company.

**5. MAXIMUM TENURE OF INDEPENDENT DIRECTORS**

In accordance with Section 149(11) of the Companies Act, 2013, the current tenure of Independent Directors of the Company is for a term of 5 consecutive years. The tenure of Mr. Sushil Kumar Khowala completes on 29<sup>th</sup> September, 2018 and the Board recommends his re-appointment for a

second term of five years.

## 6. 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- [www.rsdfinancelimited.com](http://www.rsdfinancelimited.com).

## 7. SEPARATE MEETING OF INDEPENDENT DIRECTORS

The Company's Independent Directors met on 14<sup>th</sup> March, 2018. The meeting was held without the presence of the Executive Directors or any management personnel in compliance with the Code for Independent Directors as stipulated under Schedule IV of the Companies Act, 2013 and Regulation 25(3) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015. At the meeting, the Independent Directors inter-alia reviewed the performance of Non-Independent Directors and the Board as a whole, the quality, quantity, timeliness of flow of information from the management to the Board of Directors, etc.

The Independent Directors found the performance of Non-Independent Directors and the Board as well as flow of information between the Management and the Board to be satisfactory. All independent directors were present in the meeting.

## 8. FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

All Directors, including Independent Directors, on induction are appraised of the nature of industry, the business model of the Company, the roles, rights, responsibilities in terms of Companies Act and related rules,

SEBI (Listing Obligation And Disclosure Requirements) Regulations etc. and are provided with necessary documents, reports and policies to enable them to familiarize with the Company's procedures and practices.

Periodic presentations are made at the Board and Committee meetings on the business and financial performance of the Company, updates on compliances, regulatory scenario, regulatory changes which affect/ concern the Company, Company policies, internal controls, investor relations etc.

They are given full opportunity to interact with senior management personnel and are provided with all the documents required and/or sought by them to have a good understanding of the Company, its business model and various operations and the industry it is a part. Further site visits to plant location are also organized to enable them to understand the operations of the Company.

Details have been disclosed on the website of the Company at [http:// www.rsdfinancelimited.com](http://www.rsdfinancelimited.com).

## 9. PERFORMANCE EVALUATION OF THE BOARD, ITS COMMITTEES AND INDIVIDUAL DIRECTORS, INCLUDING INDEPENDENT DIRECTORS

The performance evaluation of the Board and its committees was conducted on the basis of a structured questionnaire which was prepared taking into consideration various aspects such as adequacy of the constitution and composition of the Board, establishment and delineation of responsibilities to various Committees, matters addressed in the Board and Committee meetings, attendance and contribution at Board/ Committee Meetings, processes followed at the meeting, effectiveness

of Board.

Similarly questionnaire on individual Director's performance covered parameters like profile, contribution in Board and Committee meetings, execution and performance of specific duties, obligations, degree of fulfillment of key responsibilities, processes and guidance/ support to the management outside Board/ Committee Meetings etc.

The performance of the Managing Director was evaluated on certain additional parameters depending upon their roles and responsibilities. The evaluation included points on key aspects of his role, including setting the strategic agenda of the Board Meetings, encouraging active engagement by all Board members and motivating and providing guidance to the Management, achievement of business target.

The Independent Directors had met separately on March 14, 2018 without the presence of Non-Independent Directors and the members of management and discussed, inter-alia, the performance of Non-Independent Directors and Board as a whole and the performance of the Managing Director of the Company.

The performance evaluation of all the Independent Directors have been done by the entire Board, excluding the Director being evaluated. On the basis of performance evaluation done it was determined whether to extend or continue the term of appointment, whenever the respective term expires.

The term of Mr. Sushil Kumar Khowala expires at the forthcoming Annual General Meeting. The Board expressed satisfaction on his performance and has decided to continue his term of appointment for a further period of

five years (second term).

Further, the Board of Directors has expressed its satisfaction on functioning and performance of the Board and Committees and the performance of all the directors. They expressed their satisfaction with the evaluation process.

#### 10. DETAILS OF SHARES HELD BY NON- EXECUTIVE DIRECTORS OF THE COMPANY AS ON MARCH 31, 2018

Name of the Director	Number of Shares held
Mr. Malkeet Singh Saini	Nil
Mr. Sushil Kumar Khowala	18,000
Mr. Jayesh Taunk	75,000

#### 11. BOARD PROCEDURE

The Board meets at regular intervals. The meetings are generally held at the Administrative office of the Company at Jamshedpur. The Board Meetings (including Committee Meetings) of the Company are scheduled in advance to facilitate the Directors to plan their schedule and to ensure meaningful participation in the meetings. However, in case of a special and urgent business need, the Board's approval is taken by passing resolution(s) by circulation, as permitted by law, which is noted in the subsequent Board Meeting.

The Meetings of the Company are governed by a structured agenda.. The Company Secretary in consultation with the Managing Director finalizes the agenda of the Board meetings. All major agenda items, backed up by relevant and



comprehensive background information, are sent at least seven days before the date of the Board and Committee Meetings, except for the meetings called at a shorter notice, if any, in accordance with the provisions of the Companies Act, 2013 and the Secretarial Standard on Meetings of Board of Directors (SS-1) issued by the Institute of Company Secretaries of India. In special and exceptional circumstances, consideration of additional or supplementary items is taken up with the approval of the Chair and majority of the Independent Directors.

Senior management personnel are invited from time to time to the Board meetings to make presentations on relevant issues or provide necessary insights into the operations/ working of the Company and corporate strategies.

The Board reviews periodical compliances of all applicable laws, rules and regulations and the statements submitted by the Management. The members of the Board have full freedom to express their opinion in the Board and decisions are taken after detailed deliberations.

The draft Minutes of the proceedings of the Meetings of the Board/Committee(s) are circulated to all the Members of the Board or the Committee for their perusal within the stipulated time prescribed by Secretarial Standard on Meeting of the Board of Directors. Comments, if any, received from the Directors are incorporated in the Minutes in consultation with the Managing Director. The Minutes are approved by the Members of the Board/Committee(s) prior to the next Meeting. The signed Minutes are circulated to all the Members of the Board or the Committee within the stipulated time prescribed by Secretarial Standard on Meeting of the Board of Directors.

## 12. COMMITTEES OF THE BOARD:

The Board Committees play a crucial role in the governance structure of the Company and have been constituted as per the requirement of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Board Committees are set up under the formal approval of the Board to carry out clearly defined roles which are considered to be performed by Members of the Board. The Board supervises the execution of its responsibilities by the Committees and is responsible for their action. The Chairman of the respective Committee informs the Board about the summary of the discussions held in the Committee Meetings. The minutes of the Meetings of all Committees are placed before the Board for discussions/noting. As of March 31, 2018, the Board had following five Committees:

- A. Audit Committee;
- B. Stakeholders' Relationship Committee;
- C. Nomination and Remuneration Committee;
- D. Corporate Social Responsibility Committee and;
- E. Risk Management Committee.

The composition of various Committees of the Board of Directors is available on the website of the Company at [www.rsdfinancelimited.com](http://www.rsdfinancelimited.com).

The Board is responsible for constituting, assigning, and fixing the terms of reference of various Committees. Various recommendations of the committees are submitted to the Board for approval. The minutes of the meetings of all the committees are circulated to the Board. 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. AUDIT COMMITTEE

### i. Composition of Audit Committee:

The Audit Committee of the Board has been constituted in terms Regulation 18 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and Section 177 of the Companies Act, 2013.

The Audit Committee comprises of three directors. Two-thirds of the members of audit committee are Independent Directors.

Name of the Director	Category	Position
Sushil Kumar Khowala	Independent Director	Chairman
Rajeev Singh Dugal	Executive Director	Member
Jayesh Taunk*	Independent Director	Member

### ii. Meetings and Attendance during the year:

During the year four (4) Audit Committee meetings were held i.e. on May 30, 2017, August 14, 2017, November 14, 2017 and February 14, 2018 and the time gap between two meetings were less than one hundred and twenty days as specified under Regulation 18 of the Listing Regulations.

The attendance record of the Members at the Audit Committee meetings held during the year ended 31st March, 2018 is as follows:

Name of Director	No. of Meetings	
	Held	Attended
Sushil Kumar Khowala	4	4
Rajeev Singh Dugal	4	4
Malkeet Singh Saini*	2	2
Jayesh Taunk*	2	2

\*The Committee was reconstituted on September 12, 2017 whereby Mr. Jayesh Taunk was appointed as member and Mr. Malkeet Singh ceased to be a member.

All the members of the committee possess sound knowledge of accounts, audit and are financial management expertise. The audit committee met prior to the finalization of the accounts for the year ended 31st March, 2018.

The Chief Financial Officer, the Internal Auditor and the representatives of and the Statutory Auditors are invitees to the Audit Committee Meetings. Ms. Puja Choudhary, Company Secretary acts as the Secretary to the Audit Committee.

Minutes of the Audit Committee meetings are placed before the meeting of the Board of Directors immediately following the Audit Committee meeting.

The chairman of the Audit Committee, Mr. Sushil Kumar Khowala was present in the last Annual general Meeting held on 08 September, 2017 to answer the shareholders' queries.

### iii. Terms of Reference:

The terms of reference, role and scope of the Audit Committee are in line with Regulation 18(3) read with Part C of Schedule II of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and Section 177 of the Companies Act, 2013 which inter alia include:

- a) Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- b) Recommending the appointment, remuneration and term of appointment of the Auditors;
- c) Approval for payment to the Auditors for any other services rendered by them;
- d) Reviewing with the management the quarterly/ annual financial statements and the limited liability/auditor's report thereon;
- e) Reviewing performance of the statutory and internal auditors, adequacy of the internal control systems;
- f) Approval of related party transactions and subsequent modification of transactions, if any;
- g) Reviewing the findings of any internal investigations by the Internal Auditors, into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- h) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- i) Reviewing the functioning of the vigil mechanism. Whistle blower policy;

- j) Other matters as set out in Section 177 of the Companies Act, 2013 and the rules made thereunder and under Part C of Schedule II read with Regulation 18(3) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and referred to it by the Board of Directors.

### B. NOMINATION & REMUNERATION COMMITTEE (NRC):

#### i. Composition of Nomination & Remuneration Committee:

The Nomination and Remuneration Committee of the Board has been constituted in terms of Regulation 19 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and Section 178 of the Companies Act, 2013.

The Nomination and Remuneration Committee comprises of three directors. All the members of the committee are Independent Directors. The Chairman of the Committee is also an Independent Director.

Name of the Director	Category	Position
<b>Malkeet Singh Saini</b>	Independent Director	Chairman
<b>Sushil Kumar Khowala</b>	Independent Director	Member
<b>Jayesh Taunk*</b>	Independent Director	Member

## ii. Meetings and Attendance during the year:

During the year ended 31st March, 2018, the Nomination & remuneration committee met once on September 11, 2017.

The attendance record of the Members at the Nomination & remuneration committee meetings held during the year ended 31st March, 2018 is as follows:

Name of Director	No. of Meetings	
	Held	Attended
Malkeet Singh Saini	1	1
Sushil Kumar Khowala	1	1
Jayesh Taunk*	0	0
Anureet Kaur**	0	0

\*Mr. Jayesh Taunk was appointed as member w.e.f September 12, 2017

\*\*Ms. Anureet Kaur resigned from the Board w.e.f. June 14, 2017

Mr. Malkeet Singh Saini, Chairman of the Nomination and Remuneration Committee, was present at the Annual General Meeting of the Company held on 08 September, 2017 to answer the shareholders' queries.

The Company Secretary of the Company acts as the Secretary to the Committee.

Minutes of the NRC meetings are placed before the meeting of the Board of Directors immediately following the NRC meeting.

## iii. Terms of Reference:

The terms of reference of the Nomination and Remuneration Committee are in line with Regulation 19(4) read with Part D of Schedule II of the SEBI (Listing Obligation and

Disclosure Requirements) Regulations, 2015 and Section 178 of the Companies Act, 2013 and the rules framed thereunder which inter-alia includes:

- To identify persons who are qualified to become directors and who may be appointed in senior management and recommend their appointment and / or removal to the Board of Directors of the Company;
- To formulate a criteria for determining qualifications, positive attributes and independence of a director and recommending to the Board a policy relating to the remuneration for the directors, key managerial personnel and other employees;
- To formulate a criteria for evaluation of Independent Directors and the Board;
- To devise a policy on diversity of Board of Directors;
- To review and recommend remuneration of Managing Directors/ Whole time directors based on their performance and defined assessment criteria.
- Other matters as set out in Section 178 of the Companies Act, 2013 and the rules made thereunder and under Part D of Schedule II read with Regulation 19(4) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and referred to it by the Board of Directors.

Upon recommendation of Nomination and Remuneration Committee the Board of Directors have laid down the process, format, attributes and criteria for performance evaluation of the Board of the Company, its

Committees and the individual Board members, including Independent Directors.

During the year, the Directors have completed the evaluation process. On the basis of performance evaluation of Independent Directors, it has been determined to extend the term of appointment of Mr. Sushil Kumar Khowala which expires of the forthcoming Annual General Meeting.

#### iv. Remuneration to directors:

The remuneration paid to Executive Directors of the Company is approved by the Board of Directors on the recommendation of the Nomination and Remuneration Committee. The Company's remuneration strategy is market-driven and aims at attracting and retaining high caliber talent. The strategy is in consonance with the existing industry practice and is directed towards rewarding performance, based on review of achievements, on a periodical basis.

In accordance with the relevant provisions of Companies Act, 2013 and the Listing Regulations, the Nomination and Remuneration Committee (NRC) has formulated the criteria for determining qualification, positive attributes and independence of Directors and has recommended to the Board a policy relating to the remuneration of the Directors, Key Managerial Personnel and Senior Management. There have been no changes in the said Policy during the Financial Year and is attached and forms part of the report.

#### Details of remuneration paid to Non-Executive Directors during the FY ended March 31, 2018 are furnished hereunder:

The Non-Executive Directors are paid remuneration by way of Sitting Fees. The Non-

Executive Directors were paid Rs. 1,000 (Rupees one thousand only) as sitting fees for each Meeting of the Board or Committee of Directors attended by them. The total amount of sitting fees paid to during the Financial Year 2017-18 was ₹27,000/- . The Company has not paid any commission to Non-Executive Directors for the year under review.

Details of the Sitting fees paid are as under:

Name of the Director	Sitting Fee (Rs.)
Ms. Anureet Kaur*	1,000
Mr. Malkeet Singh Saini	10,000
Mr. Sushil Kumar Khowala	10,000
Mr. Jayesh Taunk**	6,000

\*Ms. Anureet Kaur resigned as an Independent Director w.e.f June 14, 2017

\*\*Mr. Jayesh Taunk was appointed as an Independent Director on the Board w.e.f September 12, 2017

Apart from receiving sitting fee for attending meetings, none of the Non-Executive Directors had any pecuniary relationship or transaction with the Company during the financial year 2017-18. Criteria of making payment to Non-executive director is also available on the Company's website at [www.rsdfinancelimited.com](http://www.rsdfinancelimited.com)

#### Details of remuneration paid to the Executive Director(s) for the financial year 2017-18 are as follows:

The appointment and remuneration of Executive Directors including Managing Director is governed by the recommendation of the Nomination and Remuneration Committee, Resolutions passed by the Board of Directors and Shareholders of the Company. The remuneration package comprises of salary,



perquisites and allowances, and contributions to Provident and other Retirement Benefit Funds as approved by the shareholders at the General Meetings. Annual increments are linked to performance and are decided by the Nomination and Remuneration Committee and recommended to the Board for approval thereof.

The remuneration policy is directed towards rewarding performance, based on review of achievements. It is aimed at attracting and retaining high caliber talent.

Name of the Director	Remuneration (Rs.)
<b>Mr. Rajeev Singh Dugal</b>	12,00,000
<b>Ms. Upneet Dugal</b>	9,00,000

Presently, the Company does not have a stock options scheme and did not give any performance linked annual increments for its Directors.

#### C. THE STAKEHOLDERS' RELATIONSHIP COMMITTEE (SRC):

##### i. Composition of Stakeholders Relationship Committee:

As on March 31, 2018, the composition of the Stakeholders Relationship Committee is in conformity with the requirements of Section 178 of the Companies Act, 2013 and Regulation 20 of the Listing Regulations. There was no change in the composition of the Committee during the Financial Year. As on March 31, 2018, the Stakeholders' Relationship Committee, comprises of members as stated below.

Name of the Director	Category	Position
Sushil Kumar Khowala	Independent Director	Chairman
Rajeev Singh Dugal	Executive Director	Member
Malkeet Singh Saini	Independent Director	Member

Ms. Puja Choudhary is designated as the Company Secretary and Compliance Officer of the Company.

##### ii. Meetings and Attendance during the year:

During the year one (1) Grievances committee meeting was held on September 11, 2017. The attendance of the Committee members is given hereinafter:

Name of Director	No. of Meetings	
	Held	Attended
Sushil Kumar Khowala	1	1
Rajeev Singh Dugal	1	1
Malkeet Singh Saini	1	0

Mr. Sushil Kumar Khowala, Chairman of the Stakeholders Relationship Committee, was present at the Annual General Meeting of the Company held on 08 September, 2017 to answer members' queries.

### iii. Terms of Reference:

The Committee's constitution and terms of reference are in compliance with the provisions of Section 178 of the Companies Act, 2013, Regulation 20, Part D of Schedule II of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015

The Stakeholders Relationship Committee is primarily responsible to review all matters connected with the Company's transfer of securities and redressal of shareholders'/ Investors'/ security holders' complaints. The role of the committee includes overseeing and re-materialization, consolidation of shares, etc. It further looks into the redressing of shareholders' grievances like non-receipt of balance sheet, non- receipt of declared dividends and overseeing the performance of Company's Registrar and Share Transfer Agents and to carry out any function as may be referred by the Board from time to time.

The Secretarial Department of the Company and the Registrar and Share Transfer Agent, S.K.- Infosolutions Private Limited attend to all grievances of the shareholders.

The Minutes of the Stakeholders Relationship Committee Meetings are circulated to the Board and noted by the Board of Directors at the Board Meetings.

Continuous efforts are made to ensure that grievances are more expeditiously redressed to the complete satisfaction of the investors. Shareholders are requested to furnish their updated telephone numbers and e-mail addresses to facilitate prompt action.

The details of the complaints received during the FY 2017-18 and the status of the same are as below:

- a) Number of pending complaints as on 01.04.2017 – Nil
- b) Number of complaints received during the year – Nil
- c) Number of complaints disposed off during the year – Nil
- d) Number of complaints not solved to the satisfaction of the shareholders during the year – Nil
- e) Number of complaints pending as at 31.03.2018 – Nil

The Company has acted upon all valid requests for share transfer received during 2017-18 and no such transfer is pending.

The Company obtains half-yearly certificate from a Company Secretary in Practice confirming the issue of certificates for transfer, sub-division, and consolidation etc. and submits a copy thereof to the Stock Exchanges in terms of Regulation 40(9) of the Listing Regulations. Further, the Compliance Certificate under Regulation 7(3) of the Listing Regulations, confirming that all activities in relation to both physical and electronic share transfer facility are maintained by Registrar and Share Transfer Agent is also submitted to the Stock Exchanges on a half yearly basis.

### D. CORPORATE SOCIAL RESPONSIBILITY

As on March 31, 2018, the composition of the Corporate Social Responsibility Committee is in conformity with the requirements of Section 135 of the Companies Act, 2013. There was no change in the composition of the Committee during the Financial Year. As on March 31, 2018, the Corporate Social Responsibility (CSR) Committee consists of members as stated below:

Name of the Director	Category	Position
Rajeev Singh Dugal	Managing Director	Chairman
Upneet Dugal	Executive Director	Member
Sushil Kumar Khowala	Independent Director	Member

**i. Meetings and Attendance during the year:**

The CSR Committee met two times during the year on September 11, 2017 & February 24, 2018. The attendance of the Committee members is given hereinafter:

Name of Director	No. of Meetings	
	Held	Attended
Rajeev Singh Dugal	2	2
Upneet Dugal	2	1
Sushil Kumar Khowala	2	1

**ii. Terms of Reference:**

The Committee's constitution and terms of reference are in compliance with the provisions of Section 135 of the Companies Act, 2013 read with rules issued thereunder.

- a) To review the existing CSR Policy and to make it more comprehensive so as to indicate the activities to be undertaken by

the Company as specified in Schedule VII of the Companies Act, 2013;

- b) To provide guidance on various CSR activities to be undertaken by the Company and to monitor process; and
- c) Recommend the amount of expenditure to be incurred on the activities as above.

**E. THE RISK MANAGEMENT COMMITTEE:**

**i. Composition of Risk Management Committee:**

As on March 31, 2018, the Risk Management Committee, consists of members as stated below.

The composition of the Committee is in conformity with the Listing Regulations, with majority of members being Directors of the Company.

Name of the Director	Category	Position
Malkeet Singh Saini	Independent Director	Chairman
Sushil Kumar Khowala	Independent Director	Member
Upneet Dugal	Executive Director	Member

**ii. Meetings and Attendance during the year:**

During the year no meeting of the risk management committee was held.

**iii. Terms of Reference:**

The roles and responsibilities of the Risk Management Committee are as prescribed under Regulation 21 of the Listing Regulations

and includes monitoring and review of risk management plan and reporting the same to the Board of Directors periodically as it may deem fit, in addition to any other terms as may be referred by the Board of Directors, from time to time.

The Company has formulated and implemented a Risk Management Policy covering key aspects as provided under SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

### 13. RECONCILIATION OF SHARE CAPITAL AUDIT

In line with the requirements stipulated by Securities Exchange Board of India (SEBI), Reconciliation of Share Capital Audit is carried out on a quarterly basis by a practicing Company Secretary to confirm the aggregate number of equity shares in National Securities Depository Limited (NSDL), Central Securities Depository Limited (CDSL) and in physical form tally with the total number of issued, paid up, listed and admitted capital of the Company.

### 14. SUBSIDIARIES

As on 31st March, 2018, the Company has the following three subsidiaries:

- 1) SRP Oil Private Limited (material unlisted subsidiary)
- 2) Precision Automotive Private Limited (wholly owned, material unlisted subsidiary)
- 3) Sigma HTS LLP (Subsidiary of Precision Automotive Pvt. Ltd.)

The Financial Statements of the above mentioned subsidiary Companies are reviewed by the Audit Committee. As per the provisions

of the Listing Regulations, Mr. Sushil Kumar Khowala, Independent Director has been appointed as a Director on the Board of Precision Automotive Private Limited and SRP Oil Private Limited. Further Mr. Khowala is the representative of Precision Automotive Private Limited in Sigma HTS LLP. Minutes of the Board Meetings of the subsidiary companies are placed before the Company's Board regularly and the attention of the Directors is drawn to all significant transactions and arrangements entered into by the subsidiary companies.

The Company has formulated a policy for determining its 'Material' Subsidiaries and the same is available on the website of the Company- [www.rsdfinancelimited.com](http://www.rsdfinancelimited.com)

### 15. General Body Meetings

During the preceding three years, the Company's Annual General Meetings were held at 224, AJC Bose Road, Room No – 902, 9th Floor, Krishna Building, Kolkata – 700 017.

Details of the last three general body meetings held are given below:

- a) Locations and time of last 3 Annual General Meetings (AGMs) are given below:

2017	12.30 p.m., September 08, 2017 at the Registered Office of the Company
2016	02.30 p.m., September 24, 2016 at the Registered Office of the Company
2015	11.00 a.m., September 30, 2015 at the Registered Office of the Company

b) Particulars of Special Resolutions passed in the last three AGMs are given below:

2017	Adoption of Articles of Association & Memorandum of Association of the Company containing regulations in conformity with the Companies Act, 2013.
2016	Nil
2015	Nil

No Extra-ordinary general meeting of the Members was held during the Financial Year ended March 31, 2018.

There was no special resolution requiring voting through postal ballot during the Financial Year ended March 31, 2018.

There is no special resolution proposed to be conducted through postal ballot till the holding of the AGM.

Postal Ballot whenever conducted will be carried out as per the procedure mentioned in Rule 22 of the Companies (Management and Administration) Rules, 2014, including any amendment thereof.

## 16. MEANS OF COMMUNICATION

i. **Financial results:** Prior intimation of the Board Meeting to consider and approve Unaudited / Audited Financial Results of the Company is given to the Stock Exchanges and also disseminated on the website of the Company. The Company immediately after conclusion of the meetings of the Board of Directors, within the prescribed time, uploads the aforesaid

Financial Results on the website “Listing Centre” of BSE Limited, “Compliance” of CSE Limited and simultaneously uploads the same on the Company’s website [www.rsdfinancelimited.com](http://www.rsdfinancelimited.com).

The Company also publishes the audited/ unaudited financial results on a quarterly/Annual basis, in the prescribed format, in leading newspapers in English and in the Regional Language viz., Bengali, within the prescribed period.

ii. **Newspapers where in results normally published:** The Company normally publishes the audited/ unaudited financial results in leading English and Bengali Language newspapers viz., The Financial Express (all India edition) and Arthik Lippi (Kolkata edition) and notified to the Stock Exchange as required under the Listing Regulations.

**Website:** The Company’s website ([www.rsdfinancelimited.com](http://www.rsdfinancelimited.com)) contains a separate dedicated section “Investor Relations” where shareholders’ information is available. The Company’s Annual Report is also available in a downloadable form. All official news releases and filings made to the Stock Exchanges are updated on the Company’s website.

iii. **Presentations to institutional investors/ analysts:** There were no presentations made to institutional investors or to the analysts during the year under review.

iv. **Annual Report:** The Annual Report containing, inter alia, Audited Standalone Financial Statement, Consolidated Financial Statement, Directors’ Report, Auditors’ Report and other important information is circulated to members and



others entitled thereto. The Management's Discussion and Analysis (MD&A) Report forms part of the Directors' Report in the Annual Report. The Company's Annual Report is also available in downloadable form on the Company's website and can be accessed at [www.rsdfinancelimited.com](http://www.rsdfinancelimited.com).

**v. BSE Corporate Compliance & Listing Centre (the "Listing Centre"):** BSE's Listing Centre is a web-based application designed for corporate. All periodical compliance filings like shareholding pattern, corporate governance report, media releases, statement of investor complaints among others, are also filed electronically on the Listing Centre.

**vi. SEBI Complaints Redress System (SCORES):** The investor complaints are processed in a centralized web-based complaints redress system. The salient features of this system are – Centralised database of all complaints, online upload of Action Taken Reports (ATRs) by concerned companies and online viewing by investors of actions taken on the complaint and its current status.

**vii. Designated Exclusive email-id:** The Company has designated the following email-id exclusively for investor servicing:

[complianceofficer@rsdfinancelimited.com](mailto:complianceofficer@rsdfinancelimited.com)

## 17. GENERAL SHAREHOLDER INFORMATION

### i. Annual General Meeting :

Date : September 26, 2018  
Day : Wednesday  
Time : 12:30 PM  
Venue : Gyan Manch,  
11, Pretoria St, Elgin,  
Kolkata, West Bengal-  
700071

### ii. Financial Calendar (tentative)

The Financial year is 1st April to 31st March every year and for the FY 2018-19, the financial results are proposed to be declared as per the following tentative schedule:

Particulars	Schedule
Financial results for the quarter ending June 30, 2018	on or before 14th August, 2018
Financial results for the quarter ending September 30, 2018	on or before 14th November, 2018
Financial results for the quarter ending December 31, 2018	on or before 14th February, 2019
Financial results for the quarter ending March 31, 2019	on or before 30th May, 2019
Annual General Meeting for the year ending March 31, 2019	on or before 30 <sup>th</sup> September, 2019

### iii. Book Closure Period

The Register of Members and Share Transfer Books of the Company will be closed from Wednesday, September 19, 2018 to Wednesday, September 26, 2018 (both days inclusive) for the purpose of the 55th Annual General Meeting.

### iv. Dividend Payment Date

Your Directors have not recommended any dividend for the FY 2017-18.

**v. Listing on Stock Exchange & Stock Code**

The Company's shares are listed on the following Stock Exchanges:

- **BSE Limited (BSE)**

Floor – 25, PJ Towers, Dalal Street,  
Mumbai - 400 001

**SCRIP CODE - 539875**

- **Calcutta Stock Exchange Limited (CSE)**

7, Lyons Range, Kolkata – 700 001

**SCRIP CODE – 28123**

The listing fees for the year 2017-18 and 2018-19 have been paid to the above Stock Exchanges where the securities of the Company are listed. The Annual Custodial Fees for 2017-18 and 2018-19 to NSDL and CDSL has also been paid within the due dates.

**vi. Demat ISIN numbers in NSDL and CDSL for equity shares -**

INE616F01014

**vii. Stock Market Price Data**

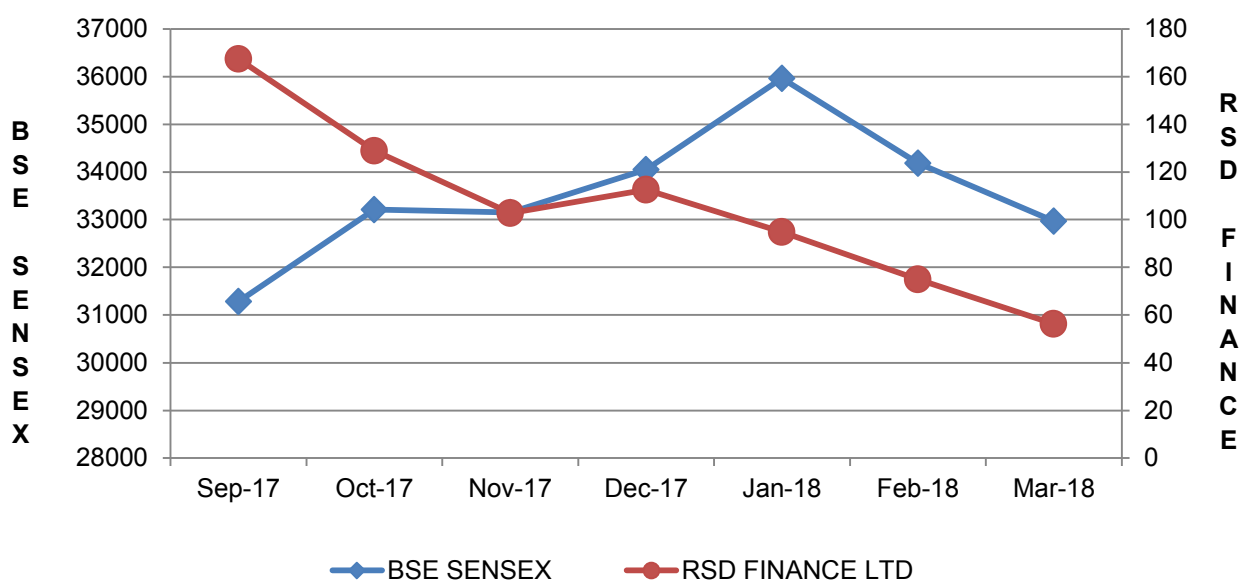
Month	CSE Limited (CSE)		BSE Limited (BSE)	
	Month's High Price	Month's Low Price	Month's High Price	Month's Low Price
Apr – 17	N.T	N.T	N.T	N.T
May – 17	N.T	N.T	N.T	N.T
June –17	N.T	N.T	N.T	N.T
July – 17	N.T	N.T	N.T	N.T
Aug – 17	N.T	N.T	N.T	N.T
Sep –17	N.T	N.T	167.50	70.00
Oct –17	N.T	N.T	199.90	128.85
Nov –17	N.T	N.T	128.85	78.85
Dec –17	N.T	N.T	119.50	97.50
Jan –18	N.T	N.T	112.45	90.25
Feb – 18	N.T	N.T	91.10	74.10
Mar - 18	N.T	N.T	71.30	56.25

*Note \_:* During the financial year ended March 31, 2018, there was no trading in the equity shares of the Company at CSE and trading at BSE commenced from September, 2017.

• N.T denotes No Trades

**viii. Performance in comparison to broad based indices such as BSE Sensex, CRISIL Index etc. –**

The chart below plots the monthly closing price of RSD Finance Limited versus the BSE - Sensex for the year ended March 31, 2018



ix. The shares of the Company have not been suspended from trading.

x. REGISTRAR AND SHARE TRANSFER AGENTS

**M/s. S. K. Infosolutions Pvt Ltd**  
34/1A, Sudhir Chatterjee Street  
Kolkata – 700 006  
Tel. No – (033) 2219-4815  
Email: skcdilip@gmail.com

xi. SHARE TRANSFER

The Company's shares are traded in dematerialized form. In case of transfers in physical form, which are lodged at the Registrar and Share Transfer Agents office, they are processed and share certificates duly

endorsed are dispatched within a period of fifteen working days from the date of receipt, subject to documents being valid and complete in all respects. The Transfers are approved by the Board of Directors or the Registrar & Share Transfer Agent of the Company. The Company obtains from a Company Secretary in Practice half yearly certificate of compliance with respect to issue of share certificates as required under Regulation 40(9) of the Listing Regulations and files a copy of the said certificate with Stock Exchanges. SEBI has mandated that securities of listed Company can be transferred only in dematerialized form from 5<sup>th</sup> December, 2018. All shareholders are hereby requested to dematerialize their securities in compliance to the SEBI Circular.

xii. DISTRIBUTION OF SHARE HOLDING BY SIZE AS ON MARCH 31, 2018

Distribution	Shareholders		Shareholding	
	No of Share holders	% to total no of holders	No. of shares	% to Total Shares
1 – 500	666	81.82%	1,45,727	2.25%
501 – 1000	115	14.13%	70,863	1.09%
1001 – 2000	8	0.98%	13,387	0.21%
2001 – 3000	9	1.11%	22,500	0.35%
3001 – 4000	1	0.12%	4,000	0.06%
4001 – 5000	0	0.00%	0	0.00%
5001 – 10000	0	0.00%	0	0.00%
10001 & Above	15	1.84%	62,16,763	96.04%
<b>TOTAL</b>	<b>814</b>	<b>100.00%</b>	<b>64,73,240</b>	<b>100.00%</b>

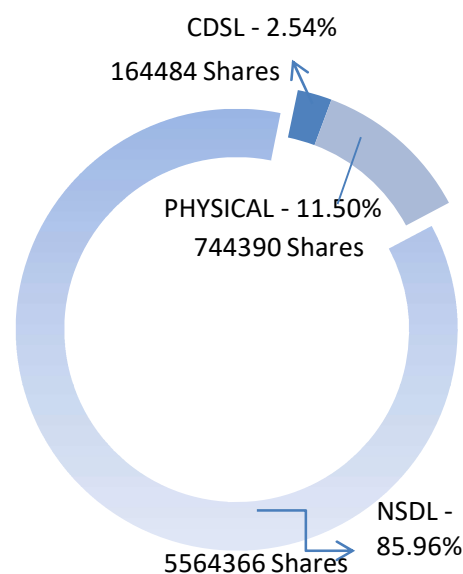
**xiii. SHAREHOLDING PATTERN AS ON MARCH 31, 2018:**

Category of shareholder	Number of shareholders	Total number of shares	As a percentage of (A+B+C)
Promoter and Promoter Group/Associate Companies, etc.	3	48,49,520	74.92%
Financial Institutions	0	0	0.00%
OCBs/Foreign Companies	0	0	0.00%
Other Bodies Corporate / Trusts	13	10,10,790	15.61%
General Public	798	6,12,930	9.47%
<b>TOTAL</b>	<b>814</b>	<b>64,73,240</b>	<b>100.00%</b>

**xiv. DEMATERIALISATION OF SHARES**

Based on a SEBI directive, the Equity shares of the Company are permitted to be traded only in dematerialised form and are available for demat under both the Depositories in India - National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

As on March 31, 2018, a total of 57,28,850 Equity shares of the Company representing 88.50% of the total Equity Share Capital were held in dematerialised form. The entire Promoters' Group shareholding of the Company is in dematerialised form. The bifurcation of shares held in Physical and Demat form as on March 31, 2018 is given below:



For any assistance in converting physical shares in electronic form, investors may approach S.K. Infosolutions Pvt. Ltd or the Company Secretary of the Company.

**xv. Outstanding GDRs/ADRs/ Warrants/ Convertible Instruments**

The Company has not issued any ADRs/ GDRs/ Warrants or any convertible instruments.



**xvi. Commodity Price Risk/ Foreign Exchange Risk and Hedging activities**

The nature of business of the Company does not involve any risk or require hedging activities.

**xvii. PLANT LOCATION:**

NS-13, 2<sup>nd</sup> Phase,  
Industrial Area  
Adityapur, Jamshedpur – 832 109

**REGISTERED OFFICE**

224, AJC Bose Road  
Krishna Building  
Room No -902, 9th Floor,  
Kolkata, West Bengal – 700 017

**ADMINISTRATIVE OFFICE**

C/o The Alcor Hotel  
H. No – 4, Ramdas Bhatta  
Opposite Indian Oil Petrol Pump  
Bistupur, Jamshedpur  
Jharkhand – 831 001

**xviii. Address for Correspondence**

For any queries relating to dematerialisation, transfer of shares, and any other query relating to the shares of the Company correspondence may please be addressed to the Company's RTA at:

M/s. S.K. Infosolutions Private Limited  
34/1A, Sudhir Chatterjee Street  
Kolkata – 700 006  
Tel No – (033) 2219-4815  
Email id – skcdilip@gmail.com

**For any query on the Annual Report please contact the Company Secretary & Compliance Officer of the Company:**

Ms. Puja Choudhary  
RSD Finance Limited  
C/o The Alcor Hotel  
Opposite Indian Oil Petrol Pump  
Ramdas Bhatta  
Bistupur, Jamshedpur  
Jharkhand – 831001  
Tel No – (0657) 6515324  
Email id: rsdfinance.ltd@gmail.com

Shareholders are requested to quote their Folio No./DP ID & Client ID, e-mail address, telephone number and full address while corresponding with the Company and its RTA.

**18. DISCLOSURES**

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

The Company has put in place a policy for Related Party Transactions (RPT Policy) which has been approved by the Board of Directors. The Policy provides for identification of RPTs, necessary approvals by the Audit Committee/ Board/ Shareholders, reporting and disclosure requirements in compliance with Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The same can be assessed at the Company's website at [www.rsdfinancelimited.com](http://www.rsdfinancelimited.com).

All transactions executed by the Company during the financial year with related parties were on arm's length basis and in the ordinary course of business. All such

Related Party Transactions were placed before the Audit Committee for approval, wherever applicable. The Company had not entered into any material contracts or arrangements or transactions under subsection (1) of section 188 of the Act.

You may refer to Note no. 21 to the financial statement which contains related party disclosures. No materially significant related party transactions have been entered into during FY 2017-18 having potential conflict of interest.

**B. Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchange(s) or SEBI or any statutory authority on any matter related to capital markets, during the last three years:**

None, all reports/returns have been filed within the stipulated time with the Stock Exchange/regulatory authorities.

No penalty/stricture have been imposed on the Company by the Stock Exchanges or SEBI or any other statutory authorities on such matters.

**C. Accounting treatment in preparation of Financial Statements:**

The guidelines/ accounting standards laid down by the Institute of Chartered Accountants of India (ICAI) and prescribed under Section 133 of the Companies Act, 2013, have been followed in preparation of the financial statements of the Company.

**D. Whistle Blower Policy/Vigil Mechanism:**

The Company has a Vigil Mechanism/ Whistle-Blower Policy under which the

employees are free to report violations of applicable laws and regulations and the Code of Conduct. A facility is available to report to the management, on a confidential basis, any practices or actions believed to be inappropriate or illegal under the Company's Code of Conduct. The Code provides for adequate safeguards against victimization of director(s)/employee(s) who avail of the mechanism and also provides for direct access to the Chairman of the Audit Committee in exceptional cases.

This mechanism has been communicated to all concerned and posted on the Company's website [www.rsdfinancelimited.com](http://www.rsdfinancelimited.com). The details of such vigil mechanism have also been provided in the "Board's Report" section of this Annual Report.

During the year under review, no employee was denied access to the Audit Committee.

**E. Prevention of Insider Trading:**

SEBI notified the SEBI (Prohibition of Insider Trading) Regulations, 2015 that came into effect from May 15, 2015. Pursuant thereof, the Company as a listed Company and market intermediary has formulated and adopted a code for prevention of Insider Trading incorporating the requirements in accordance with the regulations, clarifications and circulars and the same are updated as and when required.

All the Board of Directors, designated employees and connected persons have affirmed compliance with the Code.

**F. Familiarisation Programme:**

The Company has conducted the Familiarisation Program for Independent

Directors. The Program aims to provide insights into the Company to enable the Independent Directors to understand its business in depth, to acclimatize them with the processes and business of the Company and to assist them in performing their role as Independent Directors of the Company. The Company's Policy of conducting the Familiarisation Program has been disclosed on the website of the Company at <http://www.rsdfinancelimited.com/investorrelations/codes&policies> (Path)

**G. The Company has complied with the mandatory requirements of listing regulations. Further, the Company has also put its best endeavor to comply non mandatory requirements.**

**H. The Company has framed a Material Subsidiary Policy and the same is placed on the Company's website and the web link for the same is**  
[www.rsdfinancelimited.com](http://www.rsdfinancelimited.com)

**I. During the FY ended March 31, 2018 the Company did not engage in commodity price risk and commodity hedging activity.**

**J. No funds have been raised through public issue of Equity or Debt in the form of public or right or preferential issue during the year under review.**

**K. There has been no instance of non-compliance of any requirement of Corporate Governance Report as prescribed under SEBI (Listing Obligation and Disclosure Requirements).**

**L. Adoption of Non - Mandatory Requirements of Regulation 27**

**read with Part E of Schedule II of SEBI Listing Regulations**

**(a) Shareholder Rights**

Half-yearly and other quarterly financial statements are published in newspapers, uploaded on Company's website [www.rsdfinancelimited.com](http://www.rsdfinancelimited.com) and submitted to Stock exchanges on which Equity shares of the Company are listed viz., the BSE Limited and Calcutta Stock Exchange Limited;

**(b) Modified opinion(s) in audit report**

It has always been the Company's endeavor to present financial statements with unmodified audit opinion. The Statutory Auditors have issued an unmodified audit opinion on the Company's financial statements for the year ended 31st March, 2018.

**(c) Reporting of Internal Auditor**

The Internal Auditor reports directly to the Audit Committee and they participate in the meetings of the Audit Committee of the Board and present their Internal Audit observations/reports to the Audit Committee.

**19. The Company has fully complied with the applicable requirements specified in Regulation 17 to 27 and Clause B to Clause I of sub-regulation 2 of Regulation 46 of the SEBI (Listing Obligation and Disclosure Requirements).**



Sr. No.	Particulars	Regulations	Brief Descriptions of the Regulations	Compliance Status (Yes/No/N.A.)
1	Board of Directors	17(1)	Composition of Board	Yes
		17(2)	Meeting of Board of Directors	Yes
		17(3)	Review of Compliance Reports	Yes
		17(4)	Plans for orderly succession for appointments	Yes
		17(5)	Code of Conduct	Yes
		17(6)	Fees/Compensation to the Non-Executive Directors	Yes
		17(7)	Minimum Information to be placed before the Board	Yes
		17(8)	Compliance Certificate	Yes
		17(9)	Risk Assessment & Management	Yes
		17(10)	Performance Evaluation of Independent Directors	Yes
2	Audit Committee	18(1)	Composition of Audit Committee & Presence of the Chairman of the Committee at the Annual General Meeting	Yes
		18(2)	Meeting of Audit Committee	Yes
		18(3)	Role of the Committee and Review of information by the Committee	Yes
3	Nomination, Remuneration & Corporate Governance Committee	19(1) & (2)	Composition of Nomination, Remuneration & Corporate Governance Committee	Yes
		19(3)	Presence of the Chairman of the Committee at the Annual General Meeting	Yes
		19(4)	Role of the Committee	Yes
4	Stakeholder Relationship Committee	20(1), (2) & (3)	Composition of Stakeholder Relationship Committee	Yes
		20(4)	Role of the Committee	Yes
5	Risk Management Committee	21(1), (2) & (3)	Composition of Risk Management Committee	N.A.
		21(4)	Role of the Committee	N.A.



6	Vigil Mechanism	22	Formulation of Vigil Mechanism for Directors and Employee	Yes
7	Related Party Transaction	23(1),(5),(6),(7) & (8)	Policy for Related Party Transaction	Yes
		23(2)&(3)	Approval including omnibus approval of Audit Committee for all Related Party Transactions and review of transaction by the Committee	Yes
		23(4)	Approval for Material Related Party Transactions.	Yes
8	Subsidiaries of the Company	24(1)	Composition of Board of Directors of Unlisted Material Subsidiary	Yes
		24(2),(3),(4),(5) & (6)	Other Corporate Governance requirements with respect to Subsidiary including Material Subsidiary of listed entity	Yes
9	Obligations with respect to Independent Directors	25(1)&(2)	Maximum Directorship & Tenure	Yes
		25(3)	Meeting of Independent Directors	Yes
		25(4)	Review of Performance by the Independent Directors	Yes
		25(7)	Familiarization of Independent Directors	Yes
10	Obligations with respect to Directors and Senior Management	26(1)&(2)	Memberships & Chairmanship in Committees	Yes
		26(3)	Affirmation with compliance to code of conduct from Members of Board of Directors and Senior Management Personnel	Yes
		26(4)	Disclosure of Shareholding by Non-Executive Directors	Yes
		26(5)	Disclosures by Senior Management about potential conflicts of Interest	Yes
11	Other Corporate Governance Requirements	27(1)	Compliance of Discretionary Requirements	Yes
		27(2)	Filing of Quarterly Compliance Report on Corporate Governance	Yes
12	Disclosures on Website of the Company	46(2)(b)	Terms and conditions of appointment of Independent Directors	Yes
		46(2)(c)	Composition of various committees of Board of Directors	Yes
		46(2)(d)	Code of Conduct of Board of Directors and Senior Management Personnel	Yes





	46(2)(e)	Details of establishment of Vigil Mechanism/ Whistle Blower policy	Yes
	46(2)(f)	Criteria of making payments to Non-Executive Directors	Yes
	46(2)(g)	Policy on dealing with Related Party Transactions	Yes
	46(2)(h)	Policy for determining Material Subsidiaries	Yes
	46(2)(i)	Details of familiarization programmes imparted to Independent Directors	Yes

## 20. Compliance with the Code of Conduct

The Company has adopted the “Code of Conduct for Directors & Senior Management Personnel” and “Code of Conduct for Independent Directors”. The Code incorporates the duties of Directors and Employees. The Codes are available on the website of the Company at

<https://www.rsdfinancelimited.com/investorrelations/codes&policies> (path).

The Members of the Board and Senior Management of the Company have submitted their affirmation on compliance with the Code for the effective period. The declaration by the Managing Director to that effect forms part of this Report.

## 21. Auditors Certificate on Corporate Governance:

Certificate from the Company’s Auditors, Messrs Prasad Kumar & Co., confirming compliance with conditions of Corporate Governance as stipulated under Regulation 34 read with Schedule V of the Listing Regulations, is annexed to the Directors’ Report forming part of the Annual Report.

## 22. Certificate by Managing Director and Chief Financial Officer:

In terms of Regulation 17(8) and Part B of Schedule II of SEBI (Listing Obligations and Disclosure requirements) Regulation, 2015, a certificate from the Managing Director (MD) and the Chief Financial Officer (CFO) of the Company confirming, amongst other aspects, the correctness of the financial statements, adequacy of internal control measures and matters to be reported to the Audit Committee, were taken on record at the Board meeting held on May 30, 2018 convened for approval of the audited financial results of the Company for the year under review and the same is annexed hereinafter and forms a part of this Annual Report.

**For and on behalf of the Board of Directors**

**Rajeev Singh Dugal**  
**Managing Director**  
**DIN - 00052037**

**Sushil Kumar Khowala**  
**Director**  
**DIN - 00224539**

Place: Jamshedpur  
Date: August 14, 2018



## *CERTIFICATE ON COMPLIANCE WITH CODE OF CONDUCT*

To,  
The Members of **RSD Finance Limited**

Sub: Declaration by the Managing Director under Para D of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

I, Rajeev Singh Dugal, Managing Director of RSD Finance Limited, hereby affirm and declare, to the best of my knowledge and belief and on behalf of the Board of Directors of the Company and senior management personnel, that:

- The Board of Directors has laid down a code of ethics (code of conduct) for all Board Members and senior management of the Company;
- The code of ethics (code of conduct) has been posted on the website of the Company;
- The code of ethics (code of conduct) has been complied with.

**For RSD Finance Limited**

Sd/

**Rajeev Singh Dugal**  
Managing Director  
DIN - 00052037

Place: Jamshedpur  
Date: May 30, 2018



## CERTIFICATION BY MANAGING DIRECTOR AND CHIEF FINANCIAL OFFICER

*(In Terms of Regulation 17(8) of Securities and Exchange Board Of India (Listing Obligations And Disclosure Requirements) Regulations, 2015)*

To,

The Board of Directors  
**RSD Finance Limited**

We, Rajeev Singh Dugal, Managing Director and Rechan Chhabra, Chief Financial Officer to the best of our knowledge and belief, certify that –

- a. We have reviewed financial statements and the cash flow statement of RSD Finance Limited for the Financial Year ended on 31st March, 2018 and that to the best of our knowledge and belief, we state that:
  - (i) these statements do not contain any material untrue statement or omit any material fact or contain statements that might be misleading;
  - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- c. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of Company's internal control systems pertaining to financial reporting. We have not come across and are not aware of any reportable deficiencies in the design or operation of such internal controls.
- d. We have indicated to the Auditors and the Audit Committee:
  - (i) that there are no significant changes in internal control over financial reporting during the year;
  - (ii) that there are no significant changes in accounting policies during the year; and
  - (iii) that there are no instances of significant fraud of which we have become aware.

Sd/-

**RAJEEV SINGH DUGAL**  
Managing Director

Sd/-

**RECHAN CHHABRA**  
Chief Financial Officer

**Place: Jamshedpur**  
**Date: May 30, 2018**

## AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE

To  
The Members of **RSD Finance Limited**

I have examined the compliance of the conditions of Corporate Governance by RSD Finance Limited (“the Company”) for the year ended 31st March, 2018 as stipulated in Regulation 17 to 27, clauses (b) to (i) of the Regulation 46(2) and paragraph C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘Listing Regulations’), pursuant to the Listing Agreements of the Company with the Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Company's Management. Our examination was limited to review of the procedures and implementations thereof, adopted by the Company for ensuring compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

We have examined the relevant records of the Company in accordance with the Generally Accepted Auditing Standards in India to the extent relevant, and as per the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India.

In our opinion and to the best of our information and according to our examination of the relevant records and the explanation given to us and the representatives made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate governance as stipulated in the above mentioned Listing Regulations during the year ended March 31, 2018.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with the management has conducted the affairs of the Company.

**For M/s. Prasad Kumar & Co.**  
*Chartered Accountants*  
Firm Registration No. 008816C

Sd/-

Date: May 30, 2018

Place: Jamshedpur

**Rajesh Prasad**  
*Partner*  
Membership No. 075409



# STATUTORY AUDITORS REPORT

We have examined the books of accounts and other records of **RSD FINANCE LIMITED** for the Financial Year ended March 31, 2018 on the basis of the information submitted to us, we certify the following:

Sl. No.	Particulars	Details
1	Name of the Company	RSD FINANCE LIMITED
2	Certificate of Registration No.	05.01970
3	Registered office Address	224, AJC Bose Road, Krishna Building, 9th Floor, Room No. 902, Kolkata – 700 017
4	Corporate office Address	C/o The Alcor Hotel, H. No-04, Ramdas Bhatta, Bistupur, Jamshedpur - 831001
5	The Company has been classified by RBI as: ( <i>Investment Company / Loan Company / AFC / NBFC-MFI / NBFC-Factor / IFC / IDF-NBFC</i> )	Non - Deposit taking NBFC
6	Net Owned Fund (in ₹ Crore) ( <i>Calculation of the same is given in the Annex</i> )	43.37 Crore
7	Total Assets (in ₹ Crore)	46.36 Crore
8	Asset-Income pattern:  (in terms of RBI Press Release 1998- 99/1269 dated April 8, 1999)  a) % of Financial Assets to Total Assets  b) % of Financial Income to Gross Income  ( <i>NBFC-Factor / NBFC-MFI / AFC / IFC may also report separately below</i> )	94.21%  80.15%





9	Whether the Company was holding any Public Deposits, as on March 31, 2018?	No
10.	Has the Company transferred a sum not less than 20% of its Net Profit for the year to Reserve Fund? <i>(in terms of Sec 45-IC of the RBI Act, 1934).</i>	Yes
11	Has the Company received any FDI? If Yes, did the Company comply with the minimum capitalization norms for the FDI?	No
12	If the Company is classified as an NBFC-Factor: a) % of Factoring Assets to Total Assets b) % of Factoring Income to Gross Income	N.A.
13	If the Company is classified as an NBFC-MFI: % of Qualifying Assets to Net Assets <i>(refer to <a href="#">Notification DNBS.PD.No.234 CGM (US) 2011 dated December 02, 2011</a>)</i>	N.A.
14	If the Company is classified as an AFC: a) % of Advances given for creation of physical / real assets supporting economic activity to Total Assets b) % of income generated out of these assets to Total Income	N.A.
15	If the Company is classified as an NBFC-IFC: % of Infrastructure Loans to Total Assets	N.A.
16	Has there been any takeover/acquisition of control/ change in shareholding/ Management during the year which required prior approval from RBI?	No

In terms of paragraph 2 of Notification No. DNBS.201/DG(VL) - 2008 dated September 18, 2008, a separate report to the Board of Directors of the Company has been made.

I have read and understood paragraph 5 of Notification No. DNBS.201/DG (VL) - 2008 dated September 18, 2008.

**For M/s. Prasad Kumar & Co.**  
**Chartered Accountants**  
**Firm Registration No. 008816C**

**Sd/-**

**Rajesh Prasad**  
**Partner**  
**Membership No. 075409**

**Place: Jamshedpur**

**Date: May 30, 2018**



## Annexure - 1

	Capital Funds - Tier I	(₹ In crore)
1.	Paid up Equity Capital	6.47
2.	Pref. shares to be compulsorily converted into equity	0.00
3.	Free Reserves:	
	a. General Reserve	1.19
	b. Share Premium	0.00
	c. Capital Reserves	0.02
	d. Debenture Redemption Reserve	0.00
	e. Capital Redemption Reserve	0.00
	f. Credit Balance in P&L Account	28.86
	g. Other free reserves	0.00
4.	Special Reserves	6.87
	Total of 1 to 4	43.41
5.	<b>Less:</b> i. Accumulated balance of loss	0.00
	ii. Deferred Revenue Expenditure	0.00
	iii. Deferred Tax Assets (Net)	0.04
	iv. Other intangible Assets	0.00
	<b>Owned Fund</b>	43.37
6.	Investment in shares of	0.00
	(i) Companies in the same group	
	(ii) Subsidiaries	2.08
	(iii) Wholly Owned Subsidiaries	0.01
	(iv) Other NBFCs	0.00
7.	Book value of debentures, bonds outstanding loans and advances, bills purchased and is counted (including H.P. and lease finance) made to, and deposits with	
	(i) Companies in the same group	
	(ii) Subsidiaries	0.00
	(iii) Wholly Owned Subsidiaries/Joint Ventures Abroad	0.00
8.	Total of 6 and 7	2.09
9.	Amount in item 8 in excess of 10% of Owned Fund	0.00
10.	<b>Net Owned Fund</b>	<b>43.37</b>



### TO WHOM SO EVER IT MAY CONCERN

This is to certify that M/s RSD Finance Limited having its registered office at 224, A.J.C. Bose Road, Krishna Building, Room No – 902, 9<sup>th</sup> Floor, Kolkata, West Bengal-700017 continues to do the business of NBFIs and was holding the Certificate of Registration issued u/s 45(1A) of the Reserves Bank of India Act, 1934, for the year ended 31.03.2018.

This is to further certify that the Financial Assets of the Company are 94.21% in Comparison to the Total Assets and that the Financial Income is 80.15% of the Total Income of the Company.

This is as per our examination of books of accounts of M/s RSD Finance Limited and as per information and explanations given to us by management in this regard.

**For M/s. Prasad Kumar & Co.**  
**Chartered Accountants**  
**Firm Registration No. 008816C**

**Sd/-**

**Rajesh Prasad**  
**Partner**  
**Membership No. 075409**

**Place: Jamshedpur**

**Date: May 30, 2018**



# *Standalone Financial Statements*





## *INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RSD FINANCE LIMITED*

### **REPORT ON THE STANDALONE FINANCIAL STATEMENTS**

We have audited the accompanying standalone financial statement of **RSD Finance Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Profit and Loss Statement, the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

### **MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE FINANCIAL STATEMENTS**

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

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

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial statements that give a true and fair view order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used



and the reasonableness of the accounting estimates made by the Company's directors, as well as evaluating the overall presentation of the financial statements.

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.

### OPINION

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

### REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the '**Annexure A**', a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, 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 accounts 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 Profit and Loss Statement, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid standalone financial statements comply with the Accounting standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- e) On the basis of the written representation received from the directors as on March 31, 2018, taken on record by the Board of directors, none of the directors is disqualified as on March 31, 2018, from being appointed as a director in terms of section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in '**Annexure B**'. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.; and
- 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, in our opinion and to the best of our information and accordingly to the explanation given to us:



- i) The Company does not have any pending litigation which would impact on its financial position as on 31<sup>st</sup> March 2018.
- ii) The Company has made provision, as required under the applicable law or accounting standards, for Material foreseeable losses, if any, on long-term contracts including derivative contracts.

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

**For Prasad Kumar & Co.  
Chartered Accountants  
(FRN – 008816C)**

**Sd/-  
(Rajesh Prasad)  
Partner  
M. No. – 075409**

**Place: Jamshedpur  
Date: The 30th Day of May, 2018**



## ‘Annexure A’ to the Independent Auditor’s Report

[Referred to in paragraph 1 under ‘Report on Other Legal and Regulatory Requirements’ of our Report of even date to the members of **RSD Finance Limited** on the accounts of the Company for the year ended 31st March, 2018]

On the basis of such checks as we considered appropriate and according to the information and Explanations given to us during the course of our audit, we report that:

i) In respect of its fixed assets:

- a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
- b) As explained to us, all the fixed assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
- c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable

properties are held in the name of the Company.

ii) In respect of its inventories:

The Company does not have any inventory during the year; hence this point of report is not applicable.

iii) The Company has not granted unsecured loans to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013:

iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act, with respect to the loans and investments made.

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

vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) (d) of the Companies Act, 2013 in respect of any of the products dealt with by the Company.

vii) In respect of statutory dues:

- a) According to the records of the Company, undisputed statutory



dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues have been generally regularly deposited with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at March 31, 2018 for a period of more than six months from the date of becoming payable.

- b) According to the information and explanations provided to us, by the management, there are no disputed dues of sales tax, income tax, custom tax, excise duty, service tax, and cess.
- viii) Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions, banks and debenture holders.
- ix) The Company did not raise any money by way of further public offer during the year.
- x) In our opinion and according to the information and explanation given to us, no material fraud by the Company and no material fraud on the Company by its officers or employees has been

noticed or reported during the course of our audit.

- xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid / provided for managerial remuneration in accordance with the provisions of Section 197 read with Schedule V to the Act.
- xii) In our opinion and according to the information and explanation given to us, the Company is not a nidhi Company. Accordingly Paragraph 3(xii) of the Order is not applicable.
- xiii) According to the information and explanations provided to us and based on the examination of the records of the Company, transactions with the related parties are in compliance with Section 177 and 188 of the Act where applicable and details of such transaction have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv) According to the information and explanations provided to us and based on the examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv) According to the information and explanations provided to us and based on the examination of the records of the Company, the Company has not entered into any non-cash transactions





with directors or persons connected with him.

- xvi) The Company is already a Non-Banking Financial Company and is registered under Section 45-IA of the Reserve Bank of India Act, 1934.

**For Prasad Kumar & Co.  
Chartered Accountants  
(FRN – 008816C)**

**Sd/-**

**(Rajesh Prasad)  
Partner  
M. No. – 075409**

**Place: Jamshedpur  
Date: The 30th Day of May, 2018**



## ‘Annexure B’ to the Independent Auditor’s Report

Report on the Internal Financial Controls 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 **RSD Finance Limited** (‘the Company’) as of 31 March 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

### Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (‘ICAI’). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the 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.

### Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on

our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the ‘Guidance Note’) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 were 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 auditors’ judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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



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

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

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

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to

the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, 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 31 March 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For Prasad Kumar & Co.  
Chartered Accountants  
(FRN – 008816C)**

**Sd/-  
(Rajesh Prasad)  
Partner  
M. No. – 075409**

**Place: Jamshedpur  
Date: The 30th Day of May, 2018**



*RSD Finance Limited*  
*Balance Sheet as at 31st March, 2018*

Particulars		Amount in ₹	
	Note No.	As at 31st March, 2018	As at 31st March, 2017
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	3	6,47,32,400	6,47,32,400
(b) Reserves and Surplus	4	36,94,64,126	34,27,32,123
(2) Non-Current Liabilities			
(a) Long-Term Borrowings	5	60,15,232	48,71,051
(3) Current Liabilities			
(a) Other Current Liabilities	6	1,01,94,796	1,00,20,219
(b) Short-Term Provisions	7	1,32,06,060	92,30,949
TOTAL		46,36,12,614	43,15,86,742
II. ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets			
(i) Tangible Assets	8	1,64,54,236	1,58,93,785
(b) Non-Current Investments	9	24,34,38,597	24,88,11,688
(c) Deferred Tax Assets (Net)	25	4,12,142	3,12,139
(d) Long-Term Loans and Advances	10	5,36,69,760	9,18,95,262
(2) Current Assets			
(a) Current Investment	11	13,65,57,005	5,27,51,728
(b) Trade Receivables	12	19,14,481	6,91,016
(c) Cash and Cash Equivalents	13	34,95,557	1,12,72,951
(d) Short-Term Loans and Advances	14	3,34,271	36,713
(e) Other Current Assets	15	73,36,565	99,21,460
TOTAL		46,36,12,614	43,15,86,742

**See accompanying notes to the financial statements**

**As per our report of even date attached**

**FOR PRASAD KUMAR & CO.**  
Chartered Accountants  
(FRN No. 008816C)

**Sd/-**

**(Rajesh Prasad)**  
Partner  
Membership No. 075409

Place : Jamshedpur  
Dated: The 30th day of May, 2018

**For and on behalf of the Board of  
Directors of RSD Finance Limited**

**Sd/-**

**Rajeev Singh Dugal**  
Managing Director  
DIN - 00052037

**Sd/-**

**Sushil Kumar Khawala**  
Director  
DIN - 00224539

**Sd/-**

**Rechan Chhabra**  
Chief Financial Officer

**Sd/-**

**Puja Choudhary**  
Company Secretary

*RSD Finance Limited**Profit & Loss Statement for the year ended 31st March, 2018*

			Amount in ₹
Particulars	Note No.	Year Ended 31st March, 2018	Year Ended 31st March, 2017
I. Revenue from Operations	16	2,81,27,202	6,66,44,333
II. Other Incomes	17	4,15,41,434	75,89,107
III. <b>Total Revenue (I + II)</b>		<b>6,96,68,635</b>	<b>7,42,33,440</b>
IV. Expenses:			
Employee Benefit Expenses	18	70,06,357	61,20,507
Finance Costs	19	3,93,201	4,32,180
Depreciation and Amortization Expenses	8	19,74,444	10,39,697
Other Expenses	20	1,96,21,870	1,46,78,470
Provision for Substandard Assets		66,18,036	-
Total Expenses		<b>3,56,13,908</b>	<b>2,22,70,854</b>
V Profit before Tax (III - IV)		3,40,54,727	5,19,62,586
VI Tax Expense:			
(1) Current tax		65,88,024	92,30,949
(2) Deferred Tax	25	(1,00,003)	61,558
VII Profit/ (Loss) for the Period (V - VI)		2,75,66,707	4,26,70,079
VIII Earnings Per Equity Share			
(1) Basic		4.26	6.59
(2) Diluted		4.26	6.59

See accompanying notes to the financial statements

As per our report of even date attached

Chartered Accountants  
(FRN No. 008816C)

Sd/-

(Rajesh Prasad)  
Partner  
Membership No. 075409

Place : Jamshedpur  
Dated: The 30th day of May, 2018

For and on behalf of the Board of Directors of  
RSD Finance Limited

Sd/-

Sd/-

Rajeev Singh Dugal  
Managing Director  
DIN - 00052037

Sushil Kumar Khowala  
Director  
DIN - 00224539

Sd/-

Sd/-

Rechan Chhabra  
Chief Financial Officer

Puja Choudhary  
Company Secretary



**RSD FINANCE LIMITED****Cash Flow Statement for the period ended 31st March 2018****A Cash Flow From Operating Activities**

Net Profit before Tax	3,40,54,727
Add : Adjustments for	
Depreciation	19,74,444
Provision	66,18,036
profit & loss appropriation	(8,34,704)
	4,18,12,503
Less : Adjustment for	
Dividend Received	70,84,364
Interest Income	1,62,62,547
Operating Profit before Working Capital Changes	1,84,65,592
Adjustments for:-	
Current Assets	
(a) Current Investment	(8,38,05,277)
(b) Trade Receivables	(12,23,465)
(c) Short-Term Loans and Advances	(2,97,558)
(d) Other Current Assets	25,84,895
Current Liabilities	
(a) Other Current Liabilities	1,74,578
Net cash generated from operating activities	(6,41,01,236)
Tax Paid/Provided	92,30,949
<b>Net cash generated from operation [A]</b>	<b>(7,33,32,185)</b>

**B Cash Flow From Investing Activities**

(Purchase)/Sale of Investments	53,73,092
Loans & Advances	3,82,25,502
Dividend Received	70,84,364
Interest Received	1,62,62,547
Sale/(Purchase) of Assets	(25,34,895)
<b>Net cash from investing activities [B]</b>	<b>6,44,10,610</b>

**C Cash Flow From Financing Activities**

Proceeds from long term borrowings	11,44,181
<b>Net cash from financing activities [C]</b>	<b>11,44,181</b>

Net Increase/(Decrease) in Cash & Cash equivalents [A+B+C]	(77,77,394)
<b>Cash &amp; Cash equivalents (Opening balance)</b>	<b>1,12,72,951</b>
<b>Cash &amp; Cash equivalents (Closing balance)</b>	<b>34,95,557</b>

Current Year		Previous Year	
Amount (₹)	Amount (₹)	Amount (₹)	Amount (₹)
	3,40,54,727		5,19,62,586
			10,39,697
			-
	(8,34,704)		(1,87,756)
	4,18,12,503		5,28,14,527
70,84,364		54,11,594	
1,62,62,547	2,33,46,911	5,96,65,182	6,50,76,777
	1,84,65,592		(1,22,62,250)
(8,38,05,277)		1,98,34,960	
(12,23,465)		1,63,404	
(2,97,558)		13,11,303	
25,84,895	(8,27,41,406)	(54,71,767)	1,58,37,900
1,74,578	1,74,578	(52,53,995)	(52,53,995)
	(6,41,01,236)		(16,78,345)
	92,30,949		29,22,154
	<b>(7,33,32,185)</b>		<b>(46,00,499)</b>
53,73,092		1,44,26,440	
3,82,25,502		(2,64,70,752)	
70,84,364		54,11,594	
1,62,62,547		5,96,65,182	
(25,34,895)		(53,14,604)	
	<b>6,44,10,610</b>		<b>4,77,17,861</b>
11,44,181		(3,32,77,739)	
	<b>11,44,181</b>		<b>(3,32,77,739)</b>
	(77,77,394)		98,39,624
	<b>1,12,72,951</b>		<b>14,33,328</b>
	<b>34,95,557</b>		<b>1,12,72,951</b>

**FOR PRASAD KUMAR & CO.**  
Chartered Accountants  
(FRN No. 008816C)

Sd/-

(Rajesh Prasad)  
Partner  
Membership No. 075409

Place : Jamshedpur  
Dated: The 30th day of May, 2018

For and on behalf of the Board of Directors of  
RSD Finance Limited

Sd/-

Rajeev Singh Dugal  
Managing Director  
DIN - 00052037

Sd/-

Rechan Chhabra  
Chief Financial Officer

Sd/-

Sushil Kumar Khowala  
Director  
DIN - 00224539

Sd/-

Puja Choudhary  
Company Secretary



**RSD Finance Limited**  
**Notes forming Integral part of the Financial Statements**

**Note# 1**

**Corporate Information**

The Company is duly incorporated under the provisions of Companies Act 1956 as a Public Limited Company. The company also holds the status of Non Banking Finance Company under the provisions of RBI and engaged in the business of Non Banking Financing Activities.

**Note# 2**

**Summary of Significant Accounting Policies**

**2.1. Accounting Policies:**

The financial statements have been prepared and presented under the historical cost convention on the accrual basis of accounting following generally accepted accounting principles in India (GAAP) and comply with the Accounting Standards issued by the Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 2013, to the extent applicable, and directions prescribed by the Reserve Bank of India. The financial statements are presented in Indian rupees.

**2.2. Revenue Recognition:**

Income and expenditure are accounted for on accrual basis, wherever ascertainable.

Dividend are recognised only when the right to receive is established

Interest Income is recognised as and when they become accrued.

**2.3. Fixed Assets:**

Fixed assets are carried at cost of acquisition or construction less accumulated depreciation. The cost of fixed assets comprises of purchase price and all other attributable costs of bringing the assets to working condition for intended use.

**2.4. Depreciation:**

On fixed assets, depreciation is provided on written down Value method. The rates of depreciation prescribed in Schedule II to the Companies Act, 2013, are considered as minimum rates.

Leasehold Land is not depreciated or amortized.

**2.5. Investment:**

Investments are accounted for as per accounting standard-13 issued by ICAI and duly notified by the Central Government.

Long Term Investments are stated at cost of acquisition until there is a permanent diminution in the value of the investment.

**2.6. Retirement Benefits:**

Contribution to Provident Fund is made at prescribed rates and charged to the Profit & Loss Account.

Leave Encashment is accounted for in the year in which option of encashment is exercised by the

**2.7. Contingent Liabilities:**

Contingent liability is a possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the enterprise, or is a present obligation that arises from past events but is not recognised because either it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or a reliable estimate of the amount of the obligation cannot be made.

**2.8. Foreign exchange transactions**

The Company during the year did not have foreign exchange transaction.



- 2.9.** No provision has been made in respect of accrued gratuity liability and leave encashment benefit as on 31/03/2018 and these will be accounted for on cash basis.

**2.10. Taxation**

Income tax expense comprises current tax (i.e. amount of tax for the period determined in accordance with Income Tax Act, 1961) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period). The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only if there is a virtual certainty of realization of such assets. Deferred tax assets are reviewed as at each balance sheet date and written down or written up to reflect the amount that is reasonably / virtually certain (as the case may be) to be realised.

- 2.11.** The Company has not accepted any Public Deposits during the year under review and the Board of Directors have passed resolution to the effect that the Company has neither accepted Public Deposit nor would accept any public Deposit during the year.
- 2.12.** Borrowing Cost that are directly attributable to the acquisition/ construction of the qualifying asset are capitalised until the time all the substantial activities necessary to prepare such assets for the intended use are complete. All other borrowing costs are recognised as expenditure during the period in which they are incurred.



## Notes forming Integral part of Financial Statements

Particulars	As at 31st March, 2018	Amount in ₹ As at 31st March, 2017		
<b>NOTE # 3</b>				
<b>Share Capital</b>				
<b>Authorised Capital</b>				
65,00,000 Equity Shares of ₹ 10/- each (P.Y. 65,00,000 Equity Shares of ₹ 10/- each)	<b>6,50,00,000</b>	<b>6,50,00,000</b>		
<b>Issued, Subscribed and Paid up</b>				
64,73,240 Equity Shares of ₹ 10/- each (P.Y. 64,73,240 Equity Shares of ₹ 10/- each)	6,47,32,400	6,47,32,400		
	<b>6,47,32,400</b>	<b>6,47,32,400</b>		
<b>NOTE # 3(a)</b>				
<b>Reconciliation of the number of shares at the beginning &amp; end of the Reporting Period.</b>				
Number of shares at the beginning of the year	64,73,240	64,73,240		
Addition during the year	-	-		
Number of shares at the end of the year	<b>64,73,240</b>	<b>64,73,240</b>		
<b>NOTE # 3(b)</b>				
<b>Shares held by each shareholder holding more than 5% shares, specifying the number of shares held.</b>				
<b>Name of the Shareholder</b>	<b>No of shares</b>	<b>%</b>	<b>No of shares</b>	<b>%</b>
Rajeev Singh Dugal	40,44,540	62.48%	40,44,540	62.48%
K U Benefit Trust	7,91,000	12.22%	7,91,000	12.22%
<b>NOTE # 3(c)</b>				
<b>Rights, preferences and restrictions attached to shares</b>				
The company has one class of equity shares having a par value of ₹10 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.				
<b>NOTE # 4</b>				
<b>Reserves and Surplus</b>				
<b>(a) Capital Reserve</b>				
As per last Balance Sheet	2,36,775		2,36,775	
Addition during the year	-		-	
	<b>2,36,775</b>		<b>2,36,775</b>	
<b>(b) Statutory Reserve</b>				
As per last Balance Sheet	6,32,13,413		5,46,79,397	
Addition during the year	55,13,341		85,34,016	
	<b>6,87,26,754</b>		<b>6,32,13,413</b>	
<b>(c) Surplus i.e. Balance in the Statement of Profit &amp; Loss</b>				
As per last Balance Sheet	26,73,60,377		23,34,12,071	
Addition during the year	2,75,66,707		4,26,70,079	
Less: P/L Appropriation	8,34,704		1,87,756	
Less: Transfer to Statutory Reserve	55,13,341		85,34,016	
	<b>28,85,79,038</b>		<b>26,73,60,377</b>	
<b>(d) General Reserve</b>				
As per last Balance Sheet	1,19,21,558		1,19,21,558	
Addition during the year	-		-	
	<b>1,19,21,558</b>		<b>1,19,21,558</b>	
	<b>36,94,64,126</b>		<b>34,27,32,123</b>	



## Notes forming Integral part of Financial Statements

Amount in ₹

Particulars	As at 31st March, 2018	As at 31st March, 2017
<b>NOTE # 5</b>		
<b>Long-Term Borrowings</b>		
<b><u>Secured Loan</u></b>		
Vehicle Loan from HDFC Bank(Honda Amaze)	-	2,56,596
Vehicle Loan from HDFC Bank(Fortuner)	11,96,805	-
<i>* The vehicle loan is financed by way of hypothecation of the vehicle financed.</i>		
<i>i) The vehicle loan(Honda Amaze) to be repaid at an EMI of ₹ 14,160</i>		
<i>ii) The vehicle loan(Fortuner) to be repaid at an EMI of ₹ 36,801</i>		
<b><u>Unsecured Loan</u></b>		
Ashdil Trading Co (P) Ltd	39,81,217	37,77,245
Polo Suppliers (P) Ltd	8,37,210	8,37,210
	<b>60,15,232</b>	<b>48,71,051</b>
<b>NOTE # 6</b>		
<b>Other Current Liabilities</b>		
Current Maturities of Long-Term Debt	4,35,240	5,11,381
<b>Other Payables:</b>		
a) Liability Against Salary	3,24,755	3,10,076
b)TDS Payable	1,42,288	2,00,759
c)EPF/ESIC Payable	17,004	40,096
d) GST Payable	46,313	47,894
e) Other Creditors	92,29,196	89,10,013
	<b>1,01,94,796</b>	<b>1,00,20,219</b>
<b>NOTE # 7</b>		
<b>Short-Term Provisions</b>		
Provision for Tax	65,88,024	92,30,949
Provision for Substandard	66,18,036	-
	<b>1,32,06,060</b>	<b>92,30,949</b>

**NOTE # 8****Tangible Assets as on 31st March 2018**

S.NO	PARTICULARS	GROSS BLOCK				DEPRECIATION BLOCK			NET BLOCK	
		COST AS ON 01.04.2017	ADDITIONS DURING THE YEAR	SALE / DISPOSAL DURING THE YEAR	TOTAL AS ON 31.03.2018	UPTO 01.04.2017	FOR THE YEAR	UPTO 31.03.2018	NET CARRYING AMOUNT AS ON 31.03.2018	NET CARRYING AMOUNT AS ON 31.03.2017
1	Land(Freehold)	10,000	-	-	10,000	-	-	-	10,000	10,000
2	Land(Leasehold)	62,57,862	-	-	62,57,862	-	-	-	62,57,862	62,57,862
3	Capital WIP at Adityapur	0	-	-	0	-	-	-	0	0
4	Building	14,68,848	-	-	14,68,848	13,07,957	18,035	13,25,992	1,42,856	1,60,891
5	Building (Staff Quarter)	57,51,184	-	-	57,51,184	1,34,720	5,33,564	6,68,284	50,82,900	56,16,464
6	Flat	30,32,300	-	-	30,32,300	10,56,732	1,72,942	12,29,674	18,02,626	19,75,568
7	Plant & Machinery	17,08,888	82,700	-	17,91,588	11,34,483	67,423	12,01,906	5,89,682	5,74,405
8	Lab Appartus	17,375	-	-	17,375	17,374	-	17,374	1	1
9	Electric Installation	10,37,957	-	-	10,37,957	10,12,957	-	10,12,957	25,000	25,000
10	Generator Set	3,04,562	-	-	3,04,562	3,02,562	-	3,02,562	2,000	2,000
11	Furiture & Fixtures	2,57,670	-	-	2,57,670	2,44,493	5,060	2,49,553	8,117	13,177
12	Computer	3,57,972	-	-	3,57,972	3,10,730	18,566	3,29,296	28,676	47,242
13	Xerox Machine	1,21,436	-	-	1,21,436	1,21,435	-	1,21,435	1	1
14	Motor Cycle	35,303	-	-	35,303	34,303	-	34,303	1,000	1,000
15	Motor Car (Mercedes Benz)	25,39,846	-	-	25,39,846	23,28,015	81,830	24,09,845	1,30,001	2,11,831
16	Motor Car (Toyota Fortuner)	23,87,101	30,10,586.00	5,58,391.00	48,39,296	17,93,331	9,47,249	27,40,580	20,98,716	5,93,770
17	Motor Car (Honda Amaze)	14,09,950	-	-	14,09,950	10,46,022	1,22,918	11,68,940	2,41,010	3,63,928
18	Air Conditioner	49,521	-	-	49,521	41,781	1,205	42,985	6,536	7,740
19	Office Equipment	89,438	-	-	89,438	89,436	-	89,436	2	2
20	Printer	7,000	-	-	7,000	6,650	-	6,650	350	350
21	Refrigerator	33,000	-	-	33,000	16,011	3,003	19,014	13,986	16,989
22	Telephone & Mobile	29,750	-	-	29,750	14,185	2,650	16,835	12,915	15,565
	<b>TOTAL</b>	<b>2,69,06,964</b>	<b>30,93,286</b>	<b>5,58,391</b>	<b>2,94,41,859</b>	<b>1,10,13,178</b>	<b>19,74,444</b>	<b>1,29,87,622</b>	<b>1,64,54,236</b>	<b>1,58,93,785</b>
	<b>Previous Year</b>	<b>2,15,92,360</b>	<b>71,10,292</b>	<b>17,95,688</b>	<b>2,69,06,964</b>	<b>99,73,481</b>	<b>10,39,697</b>	<b>1,10,13,178</b>	<b>1,58,93,785</b>	<b>1,16,18,878</b>





## Notes forming Integral part of Financial Statements

Particulars	Amount in ₹	
	As at 31st March, 2018	As at 31st March, 2017
<b>NOTE # 9</b>		
<b>Non-Current Investments</b>		
<b>Investments in Equity Instruments</b>		
<b>(a) Equity Shares (Quoted)</b>	<b>No. of Shares</b>	<b>No. of Shares</b>
Sanraa Media Limited	2,25,000	2,25,000
(Market Value of the above shares NIL)	2,60,546	2,60,546
	<b>2,60,546</b>	<b>2,60,546</b>
<b>(b) Equity Shares (Unquoted)</b>		
SRP Oil Pvt Ltd	25,83,800	25,83,800
Precision Automotive Pvt Ltd	1,000	1,000
	2,07,86,050	2,07,86,050
	1,00,000	1,00,000
	<b>2,08,86,050</b>	<b>2,08,86,050</b>
<b>(c) Investments in Mutual Funds</b>		
Reliance Capital Builder Fund	-	1,00,00,000
JM Equity Fund	28,44,910	-
Principal Emerging Blue Chip Fund	50,00,000	-
Tata India Consumer Fund	50,00,000	-
(Market Value of the quoted securities Rs. 1,28,55,545/- ) P. Y. 1,53,35,600/-	<b>1,28,44,910</b>	<b>1,00,00,000</b>
<b>(d) Investments in Bonds</b>		
HUDCO Tax Free Bonds	1,50,00,000	1,50,00,000
	<b>1,50,00,000</b>	<b>1,50,00,000</b>
<b>(e) Investments in Debentures</b>		
Indostar Credit Fund	13,20,122	58,13,006
Ansal Hi-tech Township Ltd.	6,61,80,358	6,70,32,725
Earthcon Infracon Private Limited	2,00,00,000	-
SC Credit Fund	12,50,000	-
Walton Street Blacksoil Real Estate Trust	3,00,00,000	-
	<b>11,87,50,480</b>	<b>7,28,45,731</b>
<b>(f) Investments in PMS</b>		
Quest Investment Advisors Pvt Ltd.	1,45,16,558	1,38,19,497
Unifi Capital Private Limited.	96,31,241	72,88,779
ICICI Prudential Asset Management Co Ltd.	-	10,02,11,085
Zodious Technology Opportunity Fund	1,00,00,000	85,00,000
Alteria Capital India Fund	40,48,812	-
Avendus Absolute Return Fund	2,00,00,000	-
Axis New Opportunities AIF	25,00,000	-
VEC Strategic Growth Fund	1,50,00,000	-
	<b>7,56,96,611</b>	<b>12,98,19,362</b>
	<b>24,34,38,597</b>	<b>24,88,11,688</b>

**Corporate Loan**

ALM Infotech City Pvt. Ltd.	1,50,00,000	1,50,00,000
Connect Residuary Pvt Ltd	82,81,250	-
ILD Millennium Pvt Ltd	3,00,00,000	-
Santosh Trust	-	17,06,752
Sigma HTS LLP	-	7,48,00,000

*Unsecured, Considered Good***Security Deposits with:**

(a) FD to High Court	18,300	18,300
(b) JUSCO	3,32,760	3,32,760
(c) Others	37,450	37,450
	<b>5,36,69,760</b>	<b>9,18,95,262</b>

**NOTE # 11****Current Investments****Investments in Equity Instruments****(a) Equity Shares (Quoted)**

	Number		Number
Bank of Baroda	10,000	17,05,425	-
Mirza International	5,000	8,64,862	-
Mahindra & Mahindra	4,000	-	-
IDFC Ltd	10,000	7,20,248	10,000
IDFC Bank Ltd	10,000	4,68,672	10,000
		<b>37,59,207</b>	<b>11,88,920</b>

*(Market Value of the quoted securities**Rs. 59,66,850) P.Y. Rs. 11,38,000/-***(b) Investments in Mutual Funds**

Birla Sunlife Top 100 Fund	-	70,13,410
IDFC Dynamic Bond Fund	-	5,00,000
IDFC Dynamic Equity Fund	10,17,877	-
IDFC Monthly Income Plan	80,49,292	80,49,292
IDFC Money Manager Fund	51,80,917	1,35,25,000
Kotak India Growth Fund	1,00,00,000	1,00,00,000
Kotak Short Term Daily Dividend	-	2,22,426
Kotak Select Focus Fund	-	1,12,44,990
Kotak Treasury Advantage Fund (G)	-	10,07,690
Reliance Liquid Fund	7,56,62,584	-
Reliance Regular Savings Fund - Debt	3,00,00,000	-
Tata Short Term Bond Fund	28,87,128	-

*(Market Value of the Mutual Funds**Rs. 14,23,10,325/- ) P.Y.**5,82,13,437/-***13,27,97,798****5,15,62,808****13,65,57,005****5,27,51,728****NOTE # 12****Trade Receivables***Unsecured, Considered Good*

- Outstanding for a period exceeding six months	1,13,059	87,381
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## Notes forming Integral part of Financial Statements

Particulars	Amount in (₹)	
	As at 31st March, 2018	As at 31st March, 2017
<b>NOTE # 12</b>		
<b>Trade Receivables</b>		
<i>Unsecured, Considered Good</i>		
- Outstanding for a period exceeding six months	1,13,059	87,381
- Others	18,01,422	6,03,635
	<b>19,14,481</b>	<b>6,91,016</b>
<b>NOTE # 13</b>		
<b>Cash and Cash Equivalents</b>		
Balance with Banks	30,07,516	1,11,29,386
Cash in Hand	4,88,041	1,43,566
<i>(as per cash book and duly cetified by the management)</i>	<b>34,95,557</b>	<b>1,12,72,951</b>
<b>NOTE # 14</b>		
<b>Short-Term Loans and Advances</b>		
Advance to staff	36,233	40,065
Kotak Securities	(1,962)	(3,352)
Other Advances	3,00,000	-
	<b>3,34,271</b>	<b>36,713</b>
<b>NOTE # 15</b>		
<b>Other Current Assets</b>		
Balance with Revenue Authorities	73,36,565	99,21,460
	<b>73,36,565</b>	<b>99,21,460</b>



## Annexures to the Profit &amp; Loss Statement

Particulars	Amount in ₹	
	Year Ended 31st March, 2018	Year Ended 31st March, 2017
<b>NOTE # 16</b>		
<b>Revenue From Operations</b>		
Sale of Services	1,18,64,655	69,79,151
Interest Income	1,62,62,547	5,96,65,182
	<b>2,81,27,202</b>	<b>6,66,44,333</b>
<b>NOTE # 17</b>		
<b>Other Incomes</b>		
Other Incomes	9,63,380	2,14,000
Dividend Income	70,84,364	54,11,594
Net Gain on sale of Fixed Assets	10,01,609	-
Net Gain on sale of Investments	3,24,92,081	19,63,513
	<b>4,15,41,434</b>	<b>75,89,107</b>
<b>NOTE # 18</b>		
<b>Employee Benefit Expenses</b>		
Salaries	25,41,039	29,14,498
Stipend	7,38,313	12,91,783
Contribution to PF and Other Funds	2,66,277	2,89,956
Directors Remuneration	21,00,000	14,25,000
Staff & Labour Welfare Expenses	13,60,728	1,99,270
	<b>70,06,357</b>	<b>61,20,507</b>
<b>NOTE # 19</b>		
<b>Finance Costs</b>		
Interest on TDS & S. Tax	7,436	700
Interest on Unsecured Loan	2,26,635	2,62,682
Interest on Short Term Loan	-	57,291
Interest on Car Loan	1,59,130	1,11,507
	<b>3,93,201</b>	<b>4,32,180</b>
<b>NOTE # 20(a)</b>		
<b>Other Manufacturing Expenses</b>		
Store and Hardware Consumed	36,11,612	25,81,238
Job Charges	18,66,262	15,96,975
Repair & Maintenance	1,36,162	1,93,299
Loading & Unloading Charges	17,380	-
Power & Fuel	13,73,886	13,11,071
	<b>70,05,302</b>	<b>56,82,583</b>



## Annexures to the Profit &amp; Loss Statement

Particulars	Amount in ₹	
	Year Ended 31st March, 2018	Year Ended 31st March, 2017
<b>NOTE # 20(b)</b>		
<b>Administrative and Selling Expenses</b>		
Advertisement Expenses	51,264	57,505
Auditors' Remuneration	50,000	50,000
Bad Debts	19,51,855	-
Bank Charges & Interest	17,323	4,312
Business Promotion Expenses	60,417	1,41,204
Conveyance & Travelling	10,49,905	2,30,594
Demat Charges	2,502	7,405
Directors Sitting Fees	27,000	28,000
Fees & Subscription	42,492	75,707
General Expenses	83,223	1,37,241
Insurance Charges	4,54,691	5,01,913
Listing Fees & Stock Exchange Charges	3,72,244	3,62,002
Management and Upfront Fees	44,36,849	20,28,594
Office Maintenance	90,450	1,46,587
Postage ,Telegram & Telephone	77,032	1,03,293
Printing & Stationery	1,45,599	1,35,631
Proffesional & Legal Expenses	21,38,195	32,98,762
Rent,Rates & Taxes	70,137	29,041
Repair & Maintenance	5,87,613	6,45,097
Security Charges	9,07,777	9,98,533
Security Transaction Tax	-	14,467
	<b>1,26,16,568</b>	<b>89,95,887</b>
<b>Total(a+b)</b>	<b>1,96,21,870</b>	<b>1,46,78,470</b>

**Note# 21****Related Party Disclosures:**

Related party disclosures as required under AS - 18 on "Related Party Disclosure" notified by the Central Government under the Companies (Accounting Standards) Rules, 2006.

**Subsidiaries Companies**

Precision Automotive Pvt Ltd.  
S R P Oil Private Limited  
Sigma HTS LLP

**Key Management Personnel**

Rajeev Singh Dugal  
Upneet Dugal  
Rechan Chhabra  
Puja Choudhary

<b>Transactions during the Year</b>	<b>Current Year (₹ in Lacs)</b>	<b>Previous Year (₹ in Lacs)</b>
<b>Services Availled</b>	<b>0.36</b>	<b>0.36</b>
a. Rajeev Singh Dugal	0.36	0.36
<b>Services Rendered</b>	<b>15.34</b>	<b>21.01</b>
a. Precision Automotive Pvt Ltd.	15.34	21.01
<b>Managerial Remuneration</b>	<b>21.00</b>	<b>14.25</b>
a. Rajeev Singh Dugal	12.00	12.00
b. Upneet Dugal	9.00	2.25
<b>Remuneration to Related Party</b>		
a. Kawaljeet Dugal	-	2.75
<b>Outstanding balance as on 31.03.2018</b>		
	-	<b>(1.79)</b>
a. Precision Automotive Pvt Ltd.	-	(1.79)

**Note# 22**

On the basis of information available with the company, there are no small-scale industrial undertakings to which the Company owes any sum which is outstanding for more than 30 days.



**Note# 23****Accounting Standard (AS) 17- Segment Reporting:****Information about Primary Business Segments****(Rs. In Lacs)**

Particulars	Finance	Job Work	Unallocable	Total
<b>Total Revenue</b>	<b>578.04</b>	<b>118.65</b>	-	<b>696.69</b>
<i>P.Y.</i>	<i>672.54</i>	<i>69.79</i>	-	<i>742.33</i>
<b>Segment Result before Interest, Exceptional Items and Tax</b>	<b>320.63</b>	<b>23.85</b>	-	<b>344.48</b>
<i>P.Y.</i>	<i>524.04</i>	<i>(0.09)</i>	-	<i>523.95</i>
Less : Interest Expenses				<b>3.93</b>
<i>P.Y.</i>				<i>4.32</i>
<b>Profit before Taxes</b>				<b>340.55</b>
				<i>519.63</i>
Taxes				<b>64.88</b>
				<i>92.93</i>
<b>Profit after Taxes</b>				<b>275.67</b>
				<i>426.70</i>
Segment Assets	<b>4,442.21</b>	<b>189.82</b>	<b>4.10</b>	<b>4,636.13</b>
	<i>4,138.99</i>	<i>83.22</i>	<i>3.12</i>	<i>4,225.33</i>
Segment Liabilities	<b>211.49</b>	<b>82.68</b>	-	<b>294.17</b>
	<b>150.69</b>	-	-	<i>150.69</i>
Capital Expenditure	-	<b>25.35</b>	-	<b>25.35</b>
	-	<i>53.15</i>	-	<i>53.15</i>
Depreciation	<b>13.55</b>	<b>6.19</b>	-	<b>19.74</b>
	<i>8.22</i>	<i>0.83</i>	-	<i>9.05</i>

**Note # 24****Earnings Per Share (EPS):**

	Current Year	Previous Year
No of Ordinary Shares at the Beginning of the year	64,73,240	64,73,240
No of Ordinary Shares at the End of the year	64,73,240	64,73,240
Weighted Average No. of Ordinary Shares Outstanding during the year	64,73,240	64,73,240
Profit (Loss) after tax for calculation of Basic EPS	2,75,66,707	4,26,70,079
Profit (Loss) after tax for calculation of Diluted EPS	2,75,66,707	4,26,70,079
Basic Earnings per share (₹)	4.26	6.59
Diluted Earnings per share (₹)	4.26	6.59

**Note# 25****Deferred Tax Asset/ Liability (Net):**

	Deferred Tax Asset/(-) Liability as 01.04.17	Current Year Charge/ (Credit)	Deferred Tax Asset/(-) Liability as at 31.03.18
<b>Deferred Tax Liability</b>			
Difference between Book and Income Tax Depreciation	3,12,139	1,00,003	4,12,142

**Note# 26****Directors Remuneration**

	Current Year	Previous Year
<b>Salaries</b>		
Mr. Rajeev Singh Dugal	12,00,000	12,00,000
Ms. Upneet Dugal	9,00,000	2,25,000

**Note # 27****RBI Schedule for NBFC'S :**

Schedule to the Balance Sheet of a non-deposit taking Non-Banking Financial Company as required in terms of paragraph 13 of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007.

**As at 31st March, 2018**

<b>Liabilities Side:</b>	<b>Amount Outstanding (₹ in Lacs)</b>	<b>Amount Overdue</b>
<b>1. Loans and Advances availed by the NBFC'S inclusive of interest accrued thereon but not paid :</b>		
(a) Debentures :		
Secured	NIL	NIL
Unsecured	NIL	NIL
(other than falling within the meaning of public deposits)		
(b) Deferred Credits	NIL	NIL
(c) Term Loans	16.32	NIL
(d) Inter-Corporate Loans & Borrowings	48.18	NIL
(e) Commercial Paper	NIL	NIL
(f) Other Loan (specify nature)	NIL	NIL
<b>2. Break-up (1)(f) above (Outstanding public deposits inclusive of Interest accrued thereon but not paid) :</b>		
(a) In the form of Unsecured Debentures	NIL	NIL
(b) In the form of partly secured debentures where there is a shortfall in the value of security	NIL	NIL
(c) Other Public Deposits	NIL	NIL



**Amount Outstanding  
As on 31.03.2018  
(₹ In Lacs)**

**Assets Side:**

**3. Break-up of Loans and Advances including bills receivable  
[other than those including in (4) below]:**

(a) Secured	532.81
(b) Unsecured	3.89

**Break-up of Leased Assets and Stock on hire and other assets  
counting Towards AFC activities:**

(I) Lease Assets including lease rentals under sundry debtors :	NIL
(a) Financial Lease	NIL
(b) Operating Lease	NIL
(II) Stock on hire including hire charges under sundry debtors :	NIL
(a) Assets on hire	NIL
(b) Repossessed Assets	NIL
(III) Other Loans counting towards AFC activities :	NIL
(a) Loans where Assets have been repossessed	NIL
(b) Loans other than (a) above	NIL

**4. Break-up of Investments:  
Current Investments**

(I) Quoted		
(a) Shares :	(i) Equity	37.59
	(ii) Preference	NIL
(b) Debentures & Bonds		NIL
(c) Units of Mutual Funds		1327.98
(d) Government Securities		NIL
(e) Other (please specify)		NIL
(II) Unquoted		
(a) Shares :	(i) Equity	NIL
	(ii) Preference	NIL
(b) Debentures & Bonds		NIL
(c) Units of Mutual Funds		NIL
(d) Government Securities		NIL
(e) Other (please specify)		NIL

**Long Term Investments**

(I) Quoted		
(a) Shares :	(i) Equity	2.61
	(ii) Preference	NIL
(b) Debentures & Bonds		1337.50
(c) Units of Mutual Funds		128.45
(d) Government Securities		NIL
(e) Other (PMS)		756.97
(II) Unquoted		
(a) Shares :	(i) Equity	208.86
	(ii) Preference	NIL
(b) Debentures & Bonds		NIL
(c) Units of Mutual Funds		NIL
(d) Government Securities		NIL
(e) Other (please specify)		NIL

**5. Borrower group-wise classification of assets financed as in (2) and (3) above:**

Category	₹ In Lacs		
	Amount net of Provision		
	Secured	Unsecured	Total
1. Related Parties			
(a) Subsidiaries	NIL	NIL	NIL
(b) Companies in the same group	NIL	NIL	NIL
(c) Other Related Parties	0.00	NIL	0.00
2. Other than Related Parties	532.81	3.89	536.70

**6. Investor group-wise classification of all Investments (current and long term) in shares and Securities (both Quoted and Unquoted) :**

Category	Market Value / Break Up or fair Value or NAV	Book Value (Net of Provisions)
1. Related Parties		
(a) Subsidiaries	208.86	208.86
(b) Companies in the same group	NIL	NIL
(c) Other Related Parties	0.00	748.00
2. Other than Related Parties	4,238.61	4,123.91

**7. Other Information:**

Particulars	Amount
(I) Gross Non-Performing Assets	NIL
(a) Related Parties	NIL
(b) Other than Related Parties	NIL
(II) Net Non-Performing Assets	NIL
(a) Related Parties	NIL
(b) Other than Related Parties	NIL
(III) Assets acquired in satisfaction of debt.	NIL

**Note # 28**

Previous year's figure have been regrouped/reclassified / re-arranged wherever necessary to correspond with the current year's classification/disclosure.

**As per our report of even date attached**

**FOR PRASAD KUMAR & CO.**  
**Chartered Accountants**  
**(FRN No. 008816C)**

**For and on behalf of the Board of**  
**Directors of RSD Finance Limited**

Sd/-

Sd/-

Sd/-

**Rajeev Singh Dugal**  
**Managing Director**  
**DIN No - 00052037**

**Sushil Kumar Khowala**  
**Director**  
**DIN - 00224539**

(Rajesh Prasad)

Partner

Membership No. 075409

Sd/-

Sd/-

Place: Jamshedpur

Dated: The 30th day of May, 2018

**Rechan Chhabra**  
**Chief Financial Officer**

**Puja Choudhary**  
**Company Secretary**





# *Consolidated Financial Statements*



## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RSD FINANCE LIMITED

### REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

We have audited the accompanying consolidated financial statement of **RSD Finance Limited** (hereinafter referred to as “ the Holding Company “) and its subsidiaries (the Holding Company and its Subsidiaries together referred to as “Group”, comprising of the consolidated Balance Sheet as at March 31, 2018, the consolidated Profit and Loss Statement, the consolidated Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information (hereinafter referred to as “the consolidated financial statements”)

### MANAGEMENT 'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Holding 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 consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with the accounting principles generally accepted in India of 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### AUDITOR'S RESPONSIBILITY

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

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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



An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of directors, as well as evaluating the overall presentation of the consolidated financial statements.

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.

## OPINION

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 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 consolidated state of affairs of the

Company as at March 31, 2018 and its consolidated profit and its consolidated cash flows for the year ended on that date.

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by Section 143(3) of the Act, 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 of the aforesaid consolidated financial statements.
- b) In our opinion, proper books of accounts as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
- c) The consolidated Balance Sheet, consolidated the Profit and Loss Statement, and the consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- e) On the basis of the written representation received from the directors of the Holding Company as on March 31, 2018, taken on record by the Board of directors, none of the directors is disqualified as on March 31, 2018,



from being appointed as a director in terms of section 164(2) of the Act.

- f) f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in ‘**Annexure A**’; and
- g) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies(Audit & Auditors) Rules,2014, 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 litigation which would impact on its financial position as on 31<sup>st</sup> March 2018.

- ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**For Prasad Kumar & Co.  
Chartered Accountants  
(FRN – 008816C)**

**Sd/-**

**(Rajesh Prasad)  
Partner  
M. No. – 075409**

**Place: Jamshedpur  
Date: The 30th Day of May, 2018**

**Annexure A to the Auditors' Report**

Report on the Internal Financial Controls 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 **RSD Finance Limited** (hereinafter referred to as "the Holding Company") as of 31 March 2018 in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the 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.

**Auditors' Responsibility**

Our responsibility is to express an opinion

on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the 'Guidance Note') and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 were 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 auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the



Company's internal financial controls system over financial reporting.

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

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

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

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may

occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, 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 31 March 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For Prasad Kumar & Co.  
Chartered Accountants  
(FRN – 008816C)**

**Sd/-**

**(Rajesh Prasad)  
Partner  
M. No. – 075409  
Place: Jamshedpur  
Date: The 30th Day of May, 2018**





*RSD Finance Limited*  
*Consolidated Balance Sheet as at 31st March, 2018*

		Amount in Rs.	
Particulars	Note No.	As at 31st March, 2018	As at 31st March, 2017
<b>I. EQUITY AND LIABILITIES</b>			
(1) <b>Shareholder's Funds</b>			
(a) Share Capital	3	6,47,32,400	6,47,32,400
(b) Reserves and Surplus	4	1,20,54,48,495	1,15,92,43,557
(2) <b>Minority Interest</b>		15,30,73,808	14,95,75,927
(3) <b>Non-Current Liabilities</b>			
(a) Long-Term Borrowings	5	16,61,56,375	14,43,07,395
(b) Deferred Tax Liability (Net)	6	36,89,811	53,61,600
(4) <b>Current Liabilities</b>			
(a) Short-Term Borrowings	7	3,23,31,030	7,94,17,068
(b) Trade Payables	8	1,13,93,874	1,62,16,857
(c) Other Current Liabilities	9	4,08,34,311	4,32,83,713
(d) Short-Term Provisions	10	4,25,15,189	3,55,59,067
<b>TOTAL</b>		<b>1,72,01,75,292</b>	<b>1,69,76,97,584</b>
<b>II. ASSETS</b>			
(1) <b>Non-Current Assets</b>			
(a) Fixed Assets	11		
(i) Tangible Assets		53,64,43,720	26,98,25,639
(ii) Capital WIP		67,40,120	23,84,32,007
(iii) Intangible Assets		83,97,726	1,86,138
(b) Non-Current Investments	12	62,60,49,562	69,67,51,034
(c) Long-Term Loans and Advances	13	5,79,53,016	2,07,20,822
(2) <b>Current Assets</b>			
(a) Current Investment	14	39,03,81,178	26,67,29,144
(b) Inventories	15	1,44,50,040	1,25,82,773
(c) Trade Receivables	16	1,49,63,099	72,00,437
(d) Cash and Cash Equivalents	17	1,25,77,401	3,06,12,043
(e) Short-Term Loans and Advances	18	5,22,19,430	15,46,57,547
<b>TOTAL</b>		<b>1,72,01,75,292</b>	<b>1,69,76,97,584</b>
<b>See accompanying notes to the financial statements</b>			

As per our report of even date attached

**FOR PRASAD KUMAR & CO.**  
Chartered Accountants  
(FRN No. 008816C)

**For and on behalf of the Board of Directors of RSD Finance Limited**

Sd/-

Sd/-

Sd/-  
(Rajesh Prasad)  
Partner  
Membership No. 075409

Rajeev Singh Dugal  
Managing Director  
DIN No - 00052037

Sushil Kumar Khawala  
Director  
DIN No - 00224539

Sd/-

Sd/-

Place : Jamshedpur  
Dated: The 30th day of May, 2018

Rechan Chhabra  
Chief Financial officer

Puja Choudhary  
Company Secretary

*RSD Finance Limited**Consolidated Profit & Loss Statement for the year ended 31st March, 2018*

Particulars	Note No.	Amount in Rs.	
		Year Ended 31st March, 2018	Year Ended 31st March, 2017
I. Revenue from Operations	19	38,17,43,474	39,18,28,138
II. Other Incomes	20	8,57,66,023	3,72,89,489
III. <b>Total Revenue (I + II)</b>		<b>46,75,09,497</b>	<b>42,91,17,627</b>
IV. Expenses:			
Cost of Material Consumed	21	9,86,49,679	12,83,11,845
Cost of Store Consumed	22	1,88,98,066	44,15,536
Change In Inventories of Finished Goods & Work In Progress	23	-	2,52,167
Employee Benefit Expenses	24	4,43,13,316	3,61,66,470
Finance Cost	25	1,94,98,941	81,23,106
Depreciation and Amortization Expenses	26	7,23,08,016	2,99,54,409
Provisions		1,31,65,488	-
Other Expenses	27	14,52,02,474	8,51,36,886
Total Expenses		<b>41,20,35,980</b>	<b>29,23,60,419</b>
V Profit before extraordinary items and tax (III - IV)		5,54,73,516	13,67,57,207
VI Extraordinary Items	28	1,15,61,394	-
VII Profit before Tax (III + IV)		6,70,34,910	13,67,57,207
VIII Tax Expense:			
(1) Current tax		1,80,50,278	2,61,79,435
(2) Deferred Tax		(16,71,790)	40,99,942
IX Profit/ (Loss) for the Period (V - VI)		5,06,56,422	10,64,77,831
X Share of Profit/(Loss) attributable to Minority Interest		34,97,882	63,86,344
XI Profit For the Year		4,71,58,540	10,00,91,487
XII EPS		7.29	15.46

See accompanying notes to the financial statements

**As per our report of even date attached**

**FOR PRASAD KUMAR & CO.**  
Chartered Accountants  
(FRN No. 008816C)

Sd/-

(Rajesh Prasad)  
Partner  
Membership No. 075409

Place : Jamshedpur  
Dated: The 30th day of May, 2018

**For and on behalf of the Board of Directors  
of RSD Finance Limited**

Sd/-

Sd/-

**Rajeev Singh Dugal** **Sushil Kumar Khowala**  
Managing Director Director  
DIN No - 00052037 DIN No - 00224539

Sd/-

Sd/-

**Rechan Chhabra** **Puja Choudhary**  
Chief Financial officer Company Secretary

**RSD FINANCE LIMITED****Consolidated Cash Flow Statement for the period ended 31st March 2018**

	<b>Current Year</b>		<b>Previous Year</b>	
	<b>Amount (₹)</b>	<b>Amount (₹)</b>	<b>Amount (₹)</b>	<b>Amount (₹)</b>
<b>A Cash Flow From Operating Activities</b>				
Net Profit before Tax		6,70,34,910		13,67,57,207
Depreciation		7,23,08,016		2,99,54,409
Less : Adjustment for		13,93,42,926		16,67,11,616
Profit on Sale of Investment	3,94,93,731		1,68,02,260	
Dividend Received	2,71,40,963		1,63,13,475	
Interest Income	5,67,67,263	12,34,01,958	12,41,43,345	15,72,59,080
Operating Profit before Working Capital Changes		1,59,40,968		94,52,536
Adjustments for:-				
Current Assets				
Inventories	(18,67,267)		35,14,580	
Trade Receivables	(77,62,663)		27,29,437	
Short-Term Loans and Advances	10,24,38,117		(11,07,67,236)	
Other Current Assets	(12,36,52,034)		(58,17,499)	
Short Term Borrowings	(4,70,86,038)		(1,79,25,385)	
Trade Payables	(48,22,984)		(46,18,404)	
Other Current Liabilities	(24,49,403)		(79,01,159)	
Short Term Provisions	1,50,85,279	(7,01,16,992)	(68,50,161)	(14,76,35,828)
Net cash generated from operating activities		(5,41,76,024)		(13,81,83,292)
Tax Paid/Provided		2,71,33,037		2,66,90,558
<b>Net cash generated from operation [A]</b>		<b>(8,13,09,061)</b>		<b>(16,48,73,850)</b>
<b>B Cash Flow From Investing Activities</b>				
Profit on sale of Shares	3,94,93,731		1,68,02,260	
(Purchase)/Sale of Investments	7,07,01,473		10,41,22,981	
Loans & Advances	(3,72,32,194)		11,32,36,271	
Dividend Received	2,71,40,963		1,63,13,475	
Interest Received	5,67,67,263		12,41,43,345	
Purchase of Fixed Assets / Additions due to cons	(11,54,45,797)		(25,17,14,812)	
<b>Net cash from investing activities [B]</b>		<b>4,14,25,440</b>		<b>12,29,03,519</b>
<b>C Cash Flow From Financing Activities</b>				
Increase in Minority Interest	-		25,00,000	
Proceeds from long term borrowings	2,18,48,979		82,74,890	
<b>Net cash from financing activities [C]</b>		<b>2,18,48,979</b>		<b>1,07,74,891</b>
Net Increase/(Decrease) in Cash & Cash equivalents [A+B+C]		(1,80,34,642)		(3,11,95,439)
<b>Cash &amp; Cash equivalents (Opening balance)</b>		<b>3,06,12,043</b>		<b>6,18,07,482</b>
<b>Cash &amp; Cash equivalents (Closing balance)</b>		<b>1,25,77,401</b>		<b>3,06,12,043</b>

**FOR PRASAD KUMAR & CO.**  
Chartered Accountants  
(FRN No. 008816C)

Sd/-

(Rajesh Prasad)  
Partner  
Membership No. 075409

Place : Jamshedpur  
Dated: The 30th day of May, 2018

**For and on behalf of the Board of Directors of  
RSD Finance Limited**

Sd/-

Sd/-

Rajeev Singh Dugal  
Director  
DIN No - 00052037

Sushil Kumar Khawala  
Director  
DIN No - 00224539

Sd/-

Sd/-

Rechan Chhabra  
Chief Financial Officer

Puja Choudhary  
Company Secretary



## Notes forming Integral part of the Consolidated Financial Statements

### Note# 1

#### Corporate Information

The Company is duly incorporated under the provisions of Companies Act 1956 as a Public Limited Company. The company also holds the status of Non Banking Finance Company under the provisions of RBI and engaged in the business of Non Banking Financing Activities.

### Note# 2

#### Summary of Significant Accounting Policies

#### 2.0. Principles of Consolidation:

The Consolidated Financial statements consists of RSD Finance Limited(" the Company") and its subsidiary company (collectively referred to as "the Group"). The consolidated financial statements have been prepared on the following basis:

- The financial statements of the company and its subsidiary company have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in unrealised profits or losses as per accounting standard 21- " Consolidated financial statements" notified by companys( accounting standards) Rules,2006.

- The financial statements of the subsidiary used in the consolidation are drawn up to the same reporting date as that of the company i.e 31st march, 2018

The List of Subsidiary Company which is included in the consolidation and the Group Holdings therein are as under.

Name of the Company / Body Corporate		Precision Automotive Pvt Ltd	SRP OIL Pvt Ltd	Sigma HTS LLP
Ownership in %	2017-18	100	52.55	65
	2016-17	100	52.55	65
Country of Incorporation		India	India	India

#### 2.1. Accounting Policies:

The financial statements have been prepared and presented under the historical cost convention on the accrual basis of accounting following generally accepted accounting principles in India (GAAP) and comply with the Accounting Standards issued by the Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 2013, to the extent applicable. and directions prescribed by the Reserve Bank of India. The financial statements are presented in Indian rupees.

#### 2.2. Revenue Recognition:

Income and expenditure are accounted for on accrual basis, wherever ascertainable.

Dividend are recognised only when the right to receive is established

Interest Income is recognised as and when they become accrued.

#### 2.3. Fixed Assets:

Fixed assets are carried at cost of acquisition or construction less accumulated depreciation. The cost of fixed assets comprises of purchase price and all other attributable costs of bringing the assets to working condition for intended use. The WDV of those assets whose useful life has expired as per the provision of Schedule-II to the Companies Act 2013 has been charged off to Reserve and Surplus

#### 2.4. Depreciation:

On fixed assets, depreciation is provided on written down Value method. The rates of depreciation prescribed in Schedule II to the Companies Act, 2013, are considered as minimum rates.

Leasehold Land is not depreciated or amortized.

#### 2.5. Investment:

Investments are accounted for as per accounting standard-13 issued by ICAI and duly notified by by the Central Government

Long Term Investments are stated at cost of acquisition untill there is a permanent dimuntion in the value of the investment.

**2.6. Retirement Benefits:**

Contribution to Provident Fund is made at prescribed rates and charged to the Profit & Loss Account. Leave Encashment is accounted for in the year in which option of encashment is exercised by the employee.

**2.7. Contingent Liabilities:**

Contingent liability is a possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the enterprise, or is a present obligation that arises from past events but is not recognised because either it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or a reliable estimate of the amount of the obligation cannot be made.

**2.8. Foreign exchange transactions**

The Company during the year did not have foreign exchange transaction.

**2.9. No provision has been made in respect of accrued gratuity liability and leave encashment benefit as on 31/03/2018 and these will be accounted for on cash basis.****2.10. Taxation**

Income tax expense comprises current tax (i.e. amount of tax for the period determined in accordance with Income Tax Act, 1961) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period). The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only if there is a virtual certainty of realization of such assets. Deferred tax assets are reviewed as at each balance sheet date and written down or written up to reflect the amount that is reasonably / virtually certain (as the case may be) to be realised.

**2.11. The Company has not accepted any Public Deposits during the year under review and the Board of Directors have passed resolution to the effect that the Company has neither accepted Public Deposit nor would accept any public Deposit during the year.****2.12. Borrowing Cost that are directly attributable to the acquisition/ construction of the qualifying asset are capitalised until the time all the substantial activities necessary to prepare such assets for the intended use are complete. All other borrowing costs are recognised as expenditure during the period in which they are incurred.**



## Notes forming Integral part of Consolidated Financial Statements

Particulars	As at 31st March, 2018	Amount in Rs. As at 31st March, 2017		
<b>NOTE # 3</b>				
<b>Share Capital</b>				
<b>Authorised Capital</b>				
65,00,000 Equity Shares of ₹ 10/- each (P.Y. 65,00,000 Equity Shares of ₹ 10/- each)	<u>6,50,00,000</u>	<u>6,50,00,000</u>		
<b>Issued, Subscribed and Paid up</b>				
64,73,240 Equity Shares of ₹ 10/- each (P.Y. 64,73,240 Equity Shares of ₹ 10/- each)	<u>6,47,32,400</u>	<u>6,47,32,400</u>		
	<u><u>6,47,32,400</u></u>	<u><u>6,47,32,400</u></u>		
<b>NOTE # 3(a)</b>				
<b>Reconciliation of the number of shares at the beginning &amp; end of the Reporting Period.</b>				
Number of shares at the beginning of the year	64,73,240	64,73,240		
Addition during the year	-	-		
Number of shares at the end of the year	<u><u>64,73,240</u></u>	<u><u>64,73,240</u></u>		
<b>NOTE # 3(b)</b>				
<b>Shares held by each shareholder holding more than 5% shares, specifying the number of shares held.</b>				
<b>Name of the Shareholder</b>	<b>No of shares</b>	<b>%</b>	<b>No of shares</b>	<b>%</b>
Rajeev Singh Dugal	40,44,540	62.48%	40,44,540	62.48%
K U Benefit Trust	7,91,000	12.22%	7,91,000	12.22%
<b>NOTE # 3(c)</b>				
<b>Rights, preferences and restrictions attached to shares</b>				
The company has one class of equity shares having a par value of ₹10 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.				
<b>NOTE # 4</b>				
<b>Reserves and Surplus</b>				
<b>(a) Capital Reserve</b>				
As per last Balance Sheet	12,87,56,063		12,87,56,063	
Addition during the year	-		-	
	<u>12,87,56,063</u>		<u>12,87,56,063</u>	
<b>(b) Statutory Reserve</b>				
As per last Balance Sheet	6,32,13,412		5,46,79,397	
Addition during the year	55,13,341		85,34,016	
	<u>6,87,26,754</u>		<u>6,32,13,412</u>	
<b>(c) Surplus (Profit &amp; Loss Account)</b>				
As per last Balance Sheet	42,04,41,160		33,60,97,390	
Addition during the year	4,71,58,540		10,00,91,487	
Less: P/L Appropriation	9,53,602		3,83,170	
Less: Proposed Dividend including DDT	-		68,30,531	
Less: Transfer to Statutory Reserve	55,13,341		85,34,016	
	<u>46,11,32,757</u>		<u>42,04,41,160</u>	
<b>(d) General Reserve</b>				
As per last Balance Sheet	54,68,32,921		54,68,32,921	
Add: Addition during the year	-		-	
	<u>54,68,32,921</u>		<u>54,68,32,921</u>	
	<u>1,20,54,48,495</u>		<u>1,15,92,43,557</u>	





## Notes forming Integral part of Consolidated Financial Statements

Particulars	Amount in Rs.	
	As at 31st March, 2018	As at 31st March, 2017
<b>NOTE # 5</b>		
<b>Long-Term Borrowings</b>		
<b><u>Secured Loan</u></b>		
Vehicle Loan from Axis Bank(Fortuner)	11,96,805	-
Vehicle Loan from Axis Bank(Brezza)	6,32,269	-
Term Loan From AXIS Bank Ltd	13,92,47,688	11,53,92,051
Term Loan From IDBI Bank Ltd	1,16,00,000	1,32,50,000
<b><u>Unsecured Loan</u></b>	1,34,79,612	1,56,65,344
	<b>16,61,56,375</b>	<b>14,43,07,395</b>

a) Term Loans from Axis Bank are secured by exclusive hypothecation charge on stock, book debts and all other current assets present and future, exclusive hypothecation charge on entire movable assets present & future, equitable mortgage of leasehold land admeasuring area around 0.88 acres located at Ramdas Bhatta Area, Bistupur, Jamshedpur along with building of "Hotel The Alcor" & admeasuring area around 8.09 acres located at Mouza-Tiruldih, Khata No-62, Plot No-2, Saraikela Thana No. 148, Jharkhand in the name of "SIGMA HTS LLP".

i. Term Loan having a limit of Rs. 100 Lacs, repayable in 96 monthly installments commenced from Mar'2016.

ii. Term Loan having a limit of Rs. 1450 Lacs, repayable in 120 monthly installments commenced from Dec'2018.

b) Term Loans from IDBI Bank are secured by exclusive hypothecation charge on Solar Plant located at Newai Rajasthan.

i. Term Loan having a limit of Rs. 150 Lacs, repayable in 29 Quarterly installments commenced from Jan'2017.

c) Vehicle Loan from HDFC Bank are secured by hypothecation charge on Vehicles

i. Term Loan sanctioned for Toyota Fortuner Rs. 18 Lacs, EMI of Rs. 36801 commenced from May'2017.

ii. Term Loan sanctioned for Maruti Breeza Rs. 7 Lacs, EMI of Rs. 14446 commenced from Sep'2017.

**NOTE # 6****Deferred Tax Liability (Net)**

Deferred Tax Liability (Net)	36,89,811	53,61,600
	<b>36,89,811</b>	<b>53,61,600</b>



## Notes forming Integral part of Consolidated Financial Statements

Amount in Rs.

Particulars	As at 31st March, 2018	As at 31st March, 2017
<b>NOTE # 7</b>		
<b>Short-Term Borrowings</b>		
From Banks		
Cash Credit from IDBI Bank Ltd	2,36,762	1,11,99,873
Cash Credit from AXIS Bank Ltd	25,67,301	43,65,943
OD From Kotak Mahindra Bank Ltd	1,33,15,766	1,23,06,200
Others	1,62,11,201	5,15,45,052
	<b>3,23,31,030</b>	<b>7,94,17,068</b>
<i>Cash Credit is secured by way of</i>		
<b>Primary Security</b>		
<i>Exclusive charge by way of hypothecation on entire current assets of company both present &amp; future.</i>		
<i>Cash Credit from Axis Bank are secured by exclusive hypothecation charge on stock, book debts and all other current assets present and future, exclusive hypothecation charge on entire movable assets present &amp; future, equitable mortgage of leasehold land admeasuring area around 0.88 acres located at Ramdas Bhatta Area, Bistupur, Jamshedpur along with building of "Hotel The Alcor".</i>		
<i>OD Facility of Rs. 7.70 Crore from Kotak Mahindra Bank is secured by way pledging of ICICI FMP of Rs. 2.00 Crore &amp; FMP (from Kotak Mahindra) of Rs. 2.50 Crore in the name of Mr. R.S Dugal ( Managing Director)</i>		
<b>Collateral Security</b>		
<i>Equitable mortgage of Land admeasuring an area of about 15000 sq feet and construction thereon located at adityapur.</i>		
<i>Exclusive charge by way of hypothecation on entire movable fixed assets, excluding vehicles of the company hypothecated to other banks/financial institutions both present &amp; future.</i>		
<b>Personal Guarantee</b>		
<i>Personal guarantee of Mr. Rajeev Singh Dugal(Director) and Mrs. Kawaljeet Dugal.</i>		
<b>NOTE # 8</b>		
<b>Trades Payable</b>		
Trades Payable		
Stores	16,75,657	25,24,649
Raw Material	97,18,217	1,40,06,772
	1,13,93,874	1,65,31,421
Less: Inter Company Outstanding	-	3,14,564
	<b>1,13,93,874</b>	<b>1,62,16,857</b>
<b>NOTE # 9</b>		
<b>Other Current Liabilities</b>		
Current Maturities of Long-Term Debt	39,56,871	31,59,381
Creditors	3,01,83,918	3,17,64,119
Government Liabilities	-	8,98,937
Accrued Salary & Wages	33,93,585	27,57,077
Interest Earned but not Accrued	-	24,96,575
Audit Fees Payable	2,31,750	2,31,750
TDS Payable	4,08,789	4,54,586
GST Payable	15,67,934	-
Other Payable	9,24,225	13,86,798
EPF/ESIC Payable	1,67,239	1,34,490
	<b>4,08,34,311</b>	<b>4,32,83,713</b>
<b>NOTE # 10</b>		
<b>Short-Term Provisions</b>		
Provision for Gratuity	-	5,49,101
Provision for Dividend Distribution Tax	11,07,452	13,90,531
Provision for Dividend	54,40,000	54,40,000
Provision for Substandard Assets	66,18,036	-
Provision for Tax	1,80,50,278	2,61,79,435
Others	1,12,99,423	20,00,000
	<b>4,25,15,189</b>	<b>3,55,59,067</b>

Notes forming Integral part of the Consolidated Financial Statements

NOTE # 11

Fixed Assets as on 31st March 2018

S.NO	PARTICULARS	GROSS BLOCK				DEPRECIATION BLOCK			NET BLOCK	
		COST AS ON 01.04.2017	ADDITIONS DURING THE YEAR	SALE / DISPOSAL DURING THE YEAR	TOTAL AS ON 31.03.2018	UPTO 01.04.2017	FOR THE YEAR	UPTO 31.03.2018	NET CARRYING AMOUNT AS ON 31.03.2018	NET CARRYING AMOUNT AS ON 31.03.2017
<b>A</b>	<b>Tangible Assets</b>									
1	Land	3,47,02,801	1,93,86,075	1,22,190	5,39,66,686	-	-	-	5,39,66,686	3,47,02,801
2	Building	18,75,38,137	6,50,98,202	30,62,522	24,95,73,817	4,45,97,998	1,34,88,655	5,80,86,653	19,14,87,164	14,29,40,139
3	Plant & Machinery	10,63,70,962	21,87,42,720	26,17,259	32,24,96,422	6,42,82,861	3,90,94,645	10,33,77,506	21,91,18,916	4,20,88,100
4	Electric Installation	2,80,90,024	2,53,16,510	1,22,546	5,32,83,988	2,08,19,632	58,34,149	2,66,53,781	2,66,30,206	72,70,392
5	Generator Set	3,04,562	-	-	3,04,562	3,02,562	-	3,02,562	2,000	2,000
6	Furniture & Fixtures	4,15,25,929	24,30,064	91,561	4,38,64,432	3,22,31,310	34,59,129	3,56,90,439	81,73,993	92,94,619
7	Computer	75,89,107	21,00,448	-	96,89,555	62,29,610	12,35,838	74,65,448	22,24,107	13,59,497
8	Xerox Machine	1,21,436	-	-	1,21,436	1,21,435	-	1,21,435	1	1
9	Vehicle	92,65,818	76,04,955	6,85,149	1,61,85,624	68,05,313	27,90,169	95,95,482	65,90,142	24,60,505
10	Solar Power Plant	3,43,00,000	-	-	3,43,00,000	50,97,393	37,17,650	88,15,043	2,54,84,957	2,92,02,607
11	Office Equipment	27,09,096	6,03,298	10,772	33,01,621	25,40,152	86,715	26,26,867	6,74,755	1,68,944
12	Air Conditioner	2,46,471	-	33,515	2,12,956	1,41,881	16,878	1,58,759	54,197	1,04,590
13	Printer	7,000	-	-	7,000	6,650	-	6,650	350	350
14	Refrigerator	33,000	-	-	33,000	16,011	3,003	19,014	13,986	16,989
15	Telephone & Mobile	29,750	-	-	29,750	14,185	2,650	16,835	12,915	15,565
16	LED Television	32,73,185	22,34,600	1,30,830	53,76,955	30,74,644	2,92,967	33,67,611	20,09,344	1,98,541
	<b>Sub Total (A)</b>	<b>45,61,07,278</b>	<b>34,35,16,870</b>	<b>68,76,344</b>	<b>79,27,47,804</b>	<b>18,62,81,638</b>	<b>7,00,22,446</b>	<b>25,63,04,084</b>	<b>53,64,43,720</b>	<b>26,98,25,640</b>
<b>B</b>	<b>Capital WIP</b>									
1	Building	23,84,32,007	67,40,120	23,84,32,007	67,40,120	-	-	-	67,40,120	23,84,32,007
	<b>Sub Total (B)</b>	<b>23,84,32,007</b>	<b>67,40,120</b>	<b>23,84,32,007</b>	<b>67,40,120</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>67,40,120</b>	<b>23,84,32,007</b>
<b>C</b>	<b>Intangible Assets</b>									
1	ROC Filing Fees	8,99,470	-	-	8,99,470	7,19,576	1,79,894	8,99,470	-	1,79,894
2	Copyright	60,674	-	-	60,674	54,430	6,244	60,674	-	6,244
3	Pre-Operative Expenses	-	99,14,937	-	99,14,937	-	19,82,987	19,82,987	79,31,950	-
4	Pre-Incorporation Expense	-	5,82,220	-	5,82,220	-	1,16,444	1,16,444	4,65,776	-
	<b>Sub Total (C)</b>	<b>9,60,144</b>	<b>1,04,97,157</b>	<b>-</b>	<b>1,14,57,301</b>	<b>7,74,006</b>	<b>22,85,569</b>	<b>30,59,575</b>	<b>83,97,726</b>	<b>1,86,138</b>
	<b>Total (A+B+C)</b>	<b>69,54,99,428</b>	<b>36,07,54,148</b>	<b>24,53,08,351</b>	<b>81,09,45,225</b>	<b>18,70,55,644</b>	<b>7,23,08,016</b>	<b>25,93,63,660</b>	<b>55,15,81,566</b>	<b>50,84,43,785</b>
	<b>Previous Year</b>	<b>44,37,84,615</b>	<b>25,35,10,498</b>	<b>17,95,688</b>	<b>69,54,99,426</b>	<b>15,71,01,233</b>	<b>2,99,54,412</b>	<b>18,70,55,644</b>	<b>50,84,43,785</b>	<b>28,66,83,381</b>



## Notes forming Integral part of Consolidated Financial Statements

Particulars	Amount in Rs.	
	As at 31st March, 2018	As at 31st March, 2017
<b>NOTE # 12</b>		
<b>Non-Current Investments</b>		
<b>Investments in Property</b>	66,16,775	66,16,775
	<b>66,16,775</b>	<b>66,16,775</b>
<b>Investments in Equity Instruments</b>		
<b>(a) Equity Shares (Quoted)</b>	<b>No. of Shares</b>	<b>No. of Shares</b>
Sanara Media Limited	4,50,000	4,50,000
Lord Chloral Alkali Limited	20,000	20,000
	<b>14,09,681</b>	<b>14,09,681</b>
<b>(b) Shares (Unquoted)</b>		
<b>Investment in Equity Shares</b>	<b>No. of Shares</b>	<b>No. of Shares</b>
Reflexallen India Private Ltd	1,62,290	1,62,290
<b>Investment in Preference Shares</b>		
Reflexallen India Private Ltd	9,444	9,444
	<b>2,56,73,400</b>	<b>2,56,73,400</b>
<b>(c) Investments in Mutual Funds</b>		
Reliance Capital Builder Fund	-	1,00,00,000
JM Equity Fund	28,44,910	-
Principal Emerging Blue Chip Fund	50,00,000	-
Tata India Consumer Fund	50,00,000	-
	<b>1,28,44,910</b>	<b>1,00,00,000</b>
<b>(d) Investments in Bonds</b>		
HUDCO Tax Free Bonds	2,50,00,000	2,50,00,000
	<b>2,50,00,000</b>	<b>2,50,00,000</b>
<b>(e) Investments in NCD/ICD/PMS</b>		
Alteria Capital India Fund	40,48,812	-
Aventus Absolute Return Fund	2,00,00,000	-
Axis New Opportunities AIF	25,00,000	-
DSP Blackrock Enhance Equity Fund	-	1,50,00,000
Earthcon Infracon Private Limited	2,00,00,000	-
Elvera Realtor Pvt Ltd	5,02,71,716	7,00,00,000
Excel Dwellings India Private Limited	2,11,10,000	2,00,00,000
IDFC Real Estate Fund	1,10,59,611	1,47,40,763
India Bulls High Yield Fund	98,04,126	49,50,438
Indostar Credit Fund	13,20,122	58,13,006
NCD with Ansal Hi Tech Township	22,89,09,988	23,43,89,847
NCD with Indiabulls Real Estate Fund	1,54,37,335	1,95,66,180
IDFC - India Equity Hedge Conservative Fund	1,00,00,000	-
PMS with ICICI	5,95,35,343	15,56,39,099
Quest Investment Advisors Pvt Ltd	1,45,16,558	1,38,19,497
SC Credit Fund	25,00,000	-
Unifi Capital Private Limited	96,31,241	72,88,779
Vasathi NCD	-	3,83,33,333
VEC Strategic Growth Fund	1,50,00,000	-
Walton Street Blacksoil Real Estate Trust	3,00,00,000	-
Zodius Technology Fund	2,88,59,943	2,85,10,236
	<b>55,45,04,796</b>	<b>62,80,51,178</b>
	<b>62,60,49,562</b>	<b>69,67,51,034</b>



## Notes forming Integral part of Consolidated Financial Statements

Amount in Rs.

Particulars	As at 31st March, 2018	As at 31st March, 2017
<b>NOTE # 13</b>		
<b>Long-Term Loans and Advances</b>		
<i>Secured</i>		
<b>Corporate Loan</b>		
ALM Infotech	1,50,00,000	1,50,00,000
Connect Residuary	82,81,250	-
ILD Millennium Pvt.Ltd	3,00,00,000	-
Santosh Trust	-	17,06,752
<i>Unsecured, Considered Good</i>		
(a) Capital Advances	-	-
(b) Security Deposit	46,21,892	39,74,640
(c) Other Loans & Advance	49,875	39,430
	<b>5,79,53,016</b>	<b>2,07,20,822</b>
<b>NOTE # 14</b>		
<b>Current Investments</b>		
<b>Investments in Equity Instruments</b>		
<b>(a) Equity Shares (Quoted)</b>	1,77,60,220	3,43,57,953
<i>(Market Value of Quoted Shares is Rs. 1,57,62,161/- P.Y. Rs. 3,47,17,023/-)</i>	<b>1,77,60,220</b>	<b>3,43,57,953</b>
<b>(b) Investments in Mutual Funds</b>		
Birla Sunlife Emerging Leader Fund	-	10,00,000
Birla Sunlife Top 100 Fund	-	1,55,15,909
HDFC EOF-II-1126D Reg Plan-Div Payout	50,00,000	-
ICICI FMP Series 75-1246 Days	2,00,00,000	2,00,00,000
ICICI Prudential Value Series-4	-	10,00,000
IDFC All Seasons Bond Fund	2,50,00,000	2,50,00,000
IDFC Balance Fund	23,85,000	23,85,000
IDFC Classic Equity Fund	35,86,980	15,97,000
IDFC Corporate Bond Fund	2,22,33,080	2,62,39,495
IDFC Dynamic Bond Fund DR	-	5,00,000
IDFC Dynamic Equity Fund	61,98,593	-
IDFC Focused Equity Fund	29,91,224	-
IDFC Monthly Income Plan	80,49,292	2,57,06,397
IDFC Premier Equity Fund	3,80,000	3,80,000
IDFC Sterling Equity Fund	25,00,000	25,00,000
IDFC Super Saver Income Fund	20,00,000	-
IDFC-Money Manager Fund	4,48,64,857	1,35,25,000
Indiabulls Blue Chip Fund	71,83,949	-
JM Equity Fund - Gr Option	28,44,910	-
Kotak India Growth Series - I	2,00,00,000	2,00,00,000
Kotak Select Focus Fund Regular Plan Growth	-	1,12,44,990
Kotak Short Term Daily Dividend	-	2,22,426
Kotak Treasury Advantage Fund Growth	-	10,56,931
L&T India Value Fund	50,00,000	-
MOST Focused Multicap Fund - 35	40,00,000	40,00,000
Reliance Equity Saving Fund	50,00,000	-
Reliance Liquid Fund	9,86,37,901	3,02,81,624
Reliance Regular Savings Fund - Balance	4,68,78,045	-
Reliance Regular Savings Fund - Debt	3,50,00,000	-
Reliance Short Term Fund	-	2,74,86,531
TATA Short Term Bond Fund	28,87,128	27,29,889
	<b>37,26,20,958</b>	<b>23,23,71,191</b>
	<b>39,03,81,178</b>	<b>26,67,29,144</b>



## Notes forming Integral part of Consolidated Financial Statements

Particulars	Amount in Rs.	
	As at 31st March, 2018	As at 31st March, 2017
<b>NOTE # 15</b>		
<b>Inventories</b>		
Raw Material	1,05,85,180	1,15,36,181
Stores & Spares	38,64,859	10,46,591
	<b>1,44,50,040</b>	<b>1,25,82,772</b>
<b>NOTE # 16</b>		
<b>Trade Receivables</b>		
<i>Unsecured, Considered Good</i>		
- Outstanding for a period exceeding six months	9,86,754	14,23,295
- Others	1,39,76,345	60,91,705
	1,49,63,099	75,15,000
Less: Inter Company Outstanding	-	3,14,564
	<b>1,49,63,099</b>	<b>72,00,437</b>
<b>NOTE # 17</b>		
<b>Cash and Cash Equivalents</b>		
<b>Balance with Banks</b>		
Current Account	1,15,24,204	2,98,16,489
Deposit Account		
- Margin Money deposits against Bank Guarantee	-	-
- Others	1,04,214	97,948
<b>Cash in Hand</b>	9,48,983	6,97,607
<i>(as per cash book and duly certified by the management)</i>	<b>1,25,77,401</b>	<b>3,06,12,043</b>
<b>NOTE # 18</b>		
<b>Short-Term Loans and Advances</b>		
<i>Unsecured, considered good</i>		
Loans and advances to Related Parties		
Advance to staff	1,45,720	1,66,104
Advance for Expenses	6,03,507	7,10,137
Kotak Securities	(1,962)	(3,352)
Other Advances	79,90,565	10,60,47,871
Balance with Revenue Authorities	4,34,81,600	4,77,36,787
	<b>5,22,19,430</b>	<b>15,46,57,547</b>





## Notes forming Integral part of the Consolidated Financial Statements

Particulars	Amount in Rs.	
	Year Ended 31st March, 2018	Year Ended 31st March, 2017
<b>NOTE # 19</b>		
<b>Revenue From Operations</b>		
Sale of Finished Goods	3,85,72,542	11,92,65,816
<b>Total [A]</b>	<b>3,85,72,542</b>	<b>11,92,65,816</b>
Discount Received	-	23,93,267
Job Work & Sale of Services	28,86,08,631	14,84,93,797
	<b>28,86,08,631</b>	<b>15,08,87,064</b>
Less : Inter Company Transaction	22,04,962	24,68,088
<b>Total [B]</b>	<b>28,64,03,669</b>	<b>14,84,18,976</b>
Interest & Other Operating Income	5,67,67,263	12,41,43,345
<b>Total [A+B]</b>	<b>38,17,43,474</b>	<b>39,18,28,138</b>
<b>NOTE # 20</b>		
<b>Other Incomes</b>		
Other Incomes	1,91,31,328	41,73,754
Net Gain on sale of Investments	3,94,93,731	1,68,02,260
Dividend Income	2,71,40,963	1,63,13,475
	<b>8,57,66,023</b>	<b>3,72,89,489</b>
<b>NOTE # 21</b>		
<b>Cost of Material Consumed</b>		
Opening Stock of Material	1,15,36,181	1,47,21,224
Add: Material Purchase	9,99,03,639	12,75,94,890
Less: Closing Stock of Material	1,05,85,180	1,15,36,181
Raw Material Consumed (Op + Pur - Cl)	10,08,54,641	13,07,79,933
Less : Inter Company Transaction	22,04,962	24,68,088
	<b>9,86,49,679</b>	<b>12,83,11,845</b>
<b>NOTE # 22</b>		
<b>Cost of Store Consumed</b>		
Opening Stock of Store	10,46,591	11,23,961
Add: Store Purchase	2,17,16,334	43,38,166
Less: Closing Stock of Store	38,64,859	10,46,591
Store Consumed (Op + Pur - Cl)	1,88,98,066	44,15,536
	<b>1,88,98,066</b>	<b>44,15,536</b>



## Notes forming Integral part of the Consolidated Financial Statements

Particulars	Amount in Rs.	
	Year Ended 31st March, 2018	Year Ended 31st March, 2017
<b>NOTE # 23</b>		
<b>Change in Inventories</b>		
<b>A) Finished Goods</b>		
Add: Opening Stock	-	-
Add: Excise Duty on Opening Stock	-	-
Less: Closing Stock	-	-
Less: Excise Duty on Cl. Stock	-	-
Total [A]	-	-
<b>B) Work-In-Progress</b>		
Add: Opening Stock	-	2,52,167
Less: Closing Stock	-	-
Total [B]	-	2,52,167
Total [A+B]	-	2,52,167
<b>NOTE # 24</b>		
<b>Employee Benefit Expenses</b>		
Salaries	2,24,62,598	2,77,40,870
Stipend	1,28,02,181	-
Contribution to PF and Other Funds	16,60,761	10,35,993
Director Remuneration	30,00,000	16,50,000
Staff & Labour Welfare Expenses	43,87,777	57,39,607
	<b>4,43,13,316</b>	<b>3,61,66,470</b>
<b>NOTE # 25</b>		
<b>Finance Costs</b>		
Interest on Cash Credit	1,59,21,983	46,45,967
Interest on OD	14,06,167	14,90,279
Interest on Term Loan	15,15,409	15,54,680
Interest on Statutory Payment	7,436	700
Interest on Unsecured Loan	2,26,635	2,62,682
Interest on Short Term Loan	-	57,291
Interest Others	2,62,181	-
Interest on Car Loan	1,59,130	1,11,507
	<b>1,94,98,941</b>	<b>81,23,106</b>
<b>NOTE # 26</b>		
<b>Depreciation &amp; Amortised Cost</b>		
Depreciation	7,23,08,016	2,99,54,409
	<b>7,23,08,016</b>	<b>2,99,54,409</b>



## Notes forming Integral part of the Consolidated Financial Statements

Particulars	Amount in Rs.	
	Year Ended 31st March, 2018	Year Ended 31st March, 2017
<b>NOTE # 27</b>		
<b>Other Expenses</b>		
Advertisement Expenses	54,264	57,505
Agricultural Expenses	2,34,388	-
Audit fees	1,67,500	1,67,500
Bad Debts	19,51,855	-
Bank Charges	5,33,350	1,88,345
Business Promotion Expenses	2,41,723	4,04,948
Calibration Charges	1,53,191	39,842
Canteen Expenses	4,17,221	-
Carriage Inward & Freight Charges	35,81,337	23,19,194
Carriage Outwards	7,64,100	9,22,849
Consultancy & Retainership fees	4,45,774	6,57,559
Conveyance & Travelling	45,62,716	19,66,094
CSR Expenses	1,12,500	-
Director Sitting Fees	27,000	28,000
Discount Allowed	25,64,409	20,62,090
Demat Charges	8,617	24,567
Fees & Subscription	2,23,929	5,39,111
Fooding & Lodging Expenses	3,16,243	-
General Expenses	21,46,718	22,93,409
Generator Hire Charges	90,000	1,80,000
Insurance Charges	23,28,382	16,94,309
Interest on Statutory Dues	5,89,806	41,210
Job Offloading	1,34,61,639	1,18,36,028
Lab Expenses	8,53,954	-
Listing Fees & Annual Charges	3,72,244	3,62,002
Management and Upfront Fees	67,25,873	90,91,942
Municipal Maintenance Expenses	1,09,90,060	-
Office Maintenance	4,58,039	5,17,830
Operation & Maintenance Charges for Solar	10,54,116	-
Postage ,Telegram & Telephone	16,79,780	15,25,174
Power & Fuel	4,81,06,597	1,66,94,166
Printing & Stationery	4,44,702	3,60,044
Professional Fees & Expenses	59,07,839	61,46,703
Rates Difference Charges on Earlier Year	25,13,510	40,36,173
Rent, Rates & Taxes	69,52,533	43,63,132
Repair & Maintenance	1,45,56,469	86,21,306
ROC Expenses	14,849	-
Security Charges	52,81,122	41,93,091
Transportation, Loading & Unloading Charges	32,76,631	19,12,508
Weightment Expenses	4,780	24,020
Zinc Plating	10,32,715	18,66,236
	<b>14,52,02,474</b>	<b>8,51,36,886</b>
<b>NOTE # 28</b>		
<b>Extraordinary Items</b>		
Net Gain on sale of Fixed Assets	1,15,61,394	-
	<b>1,15,61,394</b>	<b>-</b>



## Notes forming Integral part of the Consolidated Financial Statements

### Note# 29

The Subsidiary company consider in the consolidated financial statement are:				
Name of the subsidiary	Country of Incorporation	Extent of Holding	Reporting Currency	Effective date of Becoming Subsidiary
Precision Automotive Private Limited	India	100.00%	Indian Rupees	15.11.2013
SRP Oil Private Limited	India	52.55%	Indian Rupees	30.09.2015
Sigma HTS LLP	India	65.00%	Indian Rupees	15.03.2016

### Note# 30

Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013

Name of the entity	Net Assets, i.e., total assets minus total liabilities		Share in Profit/ Loss	
	As % of consolidated net assets	Amount (Rs. In Lakhs)	As % of consolidated Profit or Loss	Amount (Rs. In Lakhs)
<b>Parent</b>				
RSD Finance Ltd	29.04%	4,133.10	54.42%	275.67
<b>Subsidiaries</b>				
a) Precision Automotive Private Limited	34.07%	4,849.22	47.32%	239.69
b) SRP Oil Private Limited	12.57%	1,789.47	31.71%	160.63
c) Sigma HTS LLP	12.79%	1,819.96	-40.35%	(204.41)
<b>Minority interest in all subsidiaries</b>				
a) Precision Automotive Private Limited	0.00%	-	0.00%	-
b) SRP Oil Private Limited	11.35%	1,615.80	28.63%	145.05
c) Sigma HTS LLP	0.18%	25.00	-21.73%	(110.07)
<b>Grand Total</b>	<b>100.00%</b>	<b>14,232.55</b>	<b>100.00%</b>	<b>506.56</b>

### Note# 31

#### Earning Per Share (EPS)

Particular	Current Year	Previious Year
Net Profit after Tax	4,71,58,540	10,00,91,487
Number of Equity Share	64,73,240	64,73,240
<b>Basic EPS</b>	<b>7.29</b>	<b>15.46</b>

### Note# 32

The Balance of Loans & Advances are subject to confirmation

**Note# 33**

The Company has not received information from vendors regarding their status under the Micro, small & Medium Enterprises development Act 2006 & hence disclosure relating to amount unpaid as at the year end together with interest paid/payable.

**Note# 34**

No Provision has been made in respect of leave encashment benefit as on 31.03.2018 and these will be accounted for on cash basis.

**Note# 35**

There is no Impairment assets as on 31.03.2018

**Note# 36**

Previous years figures have been Regrouped or Rearranged where ever required necessary and accounts have been rounded off to nearest Rupees.

**As per our report of even date attached**

**For and on behalf of the Board of Directors of  
RSD Finance Limited**

**FOR PRASAD KUMAR & CO.  
Chartered Accountants  
(FRN No. 008816C)**

**Sd/-**

**Sd/-**

**Rajeev Singh Dugal  
Managing Director  
DIN No - 00052037**

**Sushil Kumar Khowala  
Director  
DIN No - 00224539**

**Sd/-  
(Rajesh Prasad)  
Partner  
Membership No. 075409**

**Sd/-**

**Sd/-**

**Rechan Chhabra  
Chief Financial officer**

**Puja Choudhary  
Company Secretary**

**Place: Jamshedpur  
Dated: The 30th day of May, 2018**



**Corporate Overview**



**Statutory Reports**



**Financial Statements**

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**RSD FINANCE LIMITED**

CIN- L17222WB1963PLC025749

Regd. Office: 224 A. J. C. Bose Road, Krishna Building, 9<sup>th</sup> Floor, Room No – 902, Kolkata- 700 017Website: [www.rsdfinancelimited.com](http://www.rsdfinancelimited.com); Email: rsdfinance.ltd@gmail.com;

Ph: (033) 6900 0200/ +91 7280009199

**ATTENDANCE SLIP***(To be signed and handed over at the entrance of the meeting hall)*

Registered Folio / DP ID

&amp; Client ID :

Name and Address  
of the Shareholder :

Joint Holder(s) :

No. of Shares :

I/ We hereby record my/ our presence at the **FIFTY-FIFTH ANNUAL GENERAL MEETING** of the members of the Company held on **Wednesday, 26<sup>th</sup> September 2018 at 12.30 P.M.** at Gyan Manch, 11, Pretoria St, Elgin, Kolkata, West Bengal - 700071

Member' Folio/DP ID- Client ID No.

Member/proxy name in Block letters

Member/ proxy's signature

Notes: 1. A member/proxy/authorised representative wishing to attend the meeting must complete this Admission Slip before coming to the Meeting and hand it over at the entrance.

2. If you intend to appoint a proxy, please complete, stamp, sign and deposit the Proxy Form at the Company's Registered Office at least 48 hours before the Meeting.

**ELECTRONIC VOTING PARTICULARS**

EVEN (EVOTING EVENT NO.)	User ID	Password/PIN
109450		

Note: Members are requested to read "Note No. 23" in the Notice of the 55th Annual General Meeting, being sent herewith, in respect of the instruction for voting through electronic means. The voting period starts from 9:00 am on September 22, 2018 and ends at 5:00 pm on September 25, 2018.



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## RSD FINANCE LIMITED

CIN: L17222WB1963PLC025749

Regd. Office: 224 A. J. C. Bose Road, Krishna Building, 9th Floor, Room No – 902, Kolkata- 700 017

Website: [www.rsdfinancelimited.com](http://www.rsdfinancelimited.com); Email: [rsdfinance.ltd@gmail.com](mailto:rsdfinance.ltd@gmail.com);

Ph: (033) 6900 0200/ +91 7280009199

### PROXY FORM

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

**Name of the Member(s) :****Registered Address :****E-mail Id :****Folio No./Client Id:****DP ID :**

I/We, being the member(s) of **RSD Finance Limited** holding \_\_\_\_\_ shares, hereby appoint:

1) Name \_\_\_\_\_

Address: \_\_\_\_\_

Email Id : \_\_\_\_\_ Signature: \_\_\_\_\_, or failing him/ her

2) Name \_\_\_\_\_

Address: \_\_\_\_\_

Email Id : \_\_\_\_\_ Signature: \_\_\_\_\_, or failing him/ her

3) Name \_\_\_\_\_

Address: \_\_\_\_\_

Email Id : \_\_\_\_\_ Signature: \_\_\_\_\_, or failing him/ her

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the **Fifty Fifth Annual General Meeting** of the members of the Company to be held on **Wednesday, 26<sup>th</sup> September, 2018 at 12:30 P.M.** at Gyan Manch, 11, Pretoria St, Elgin, Kolkata, West Bengal – 700071 and at any adjournment thereof in respect of such resolution as are indicated below:



\*\* I wish my above proxy to vote in the manner as indicated in the box below:

Resolutions	For	Against
<b>ORDINARY BUSINESS</b>		
1. To receive, consider and adopt A) the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2018 together with the reports of the Board of Directors and Auditors thereon; and B) the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2018 together with the reports of the Auditors thereon.		
2. To appoint Ms. Upneet Dugal (DIN: 07680726), who retires by rotation and being eligible, offers herself for re-appointment as a Director		
<b>SPECIAL BUSINESS</b>		
3. To appoint Mr. Jayesh Taunk (DIN - 07936303) as a Non - Executive Independent Director of the Company		
4. To re-appoint Mr. Sushil Kumar Khowala (DIN: 00224539) as a Non - Executive Independent Director of the Company for a second term of five years		
5. To approve delivery of documents on the Members through a particular mode if required by the Member.		
6. Shifting of Registered Office from jurisdiction of one state to another		

Signed this \_\_\_\_\_ day of \_\_\_\_\_ of 2018

(Affix Revenue Stamp)

Signature of the Shareholder: \_\_\_\_\_

Note:

- 1) This form should be signed across the stamp as per specimen signature registered with the Company.
- 2) The Proxy, to be effective, should be deposited at the registered office of the Company not less than 48 hours before the commencement of the meeting.
- 3) A proxy need not be a member of the Company.
- 4) A person can act as proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
- 5) Please put a '✓' in the appropriate column against the resolutions indicated in the Box. 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. This is only optional.



## ROUTE MAP AND PROMINENT LAND MARK FOR EASY LOCATION OF THE VENUE OF THE 55TH ANNUAL GENERAL MEETING

