

# F MEC INTERNATIONAL FINANCIAL SERVICES LIMITED

CIN : L74899DL1993PLC053936

Website : www.fmecinternational.com

Email : fmecinternational@gmail.com

CIN : L65100DL1993PLC053936 Tel : 011-43680407

Date: 22-08-2022

To  
Listing Department  
BSE Limited  
Floor 25, P J Towers,  
Dalal Street, Mumbai-400001

Dear Sir/Ma'am

Scrip Code: 539552

**Subject: Annual Report of the Company for the Financial Year 2021-22 along with the Notice of 29<sup>th</sup> Annual General Meeting**

Pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are submitting herewith the Annual Report of the Company for the Financial Year 2021-2022 along with the Notice of 29<sup>th</sup> Annual General Meeting to be held on Saturday, 17th September 2022 at 12:30 P.M. (IST) at IInd Floor, Central Bank Building, 13-B, Netaji Subhash Marg Daryaganj, Delhi- 110002.

This is for your kind information and records. You are requested to record and acknowledge the same.

Thanking You

**For F MEC INTERNATIONAL FINANCIAL SERVICES LIMITED**

For F Mec International Financial Services Limited



**APOORVE BANSAL** Luth. Signatory/Director

Managing Director

DIN: 08052540



# ANNUAL REPORT

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2022



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PREPARED BY

**F MEC INTERNATIONAL  
FINANCIAL SERVICES  
LIMITED**



<http://fmecinternational.com/>  
[fmecinternational@gmail.com](mailto:fmecinternational@gmail.com)

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# ABOUT COMPANY

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

The Company is carrying on the Business of assisting the financial accommodation by way of loans/advances to industrial concerns and undertaking the business of leasing and to finance lease operations of all kinds, purchasing, selling, hiring or letting on hire or all kinds of plant and machinery. Over the years, we have followed few Core Values which have helped us to navigate through all the thick and thin over the journey of about three decades.



# CHAIRMAN'S MESSAGE



*My Dear Shareowners,*

*A very warm welcome to each and every one of you. It gives me great pleasure to welcome you all to the 29<sup>th</sup> Annual General Meeting of your Company.*

*The company's annual report and audited accounts for the year ended 31st March 2022 have been with you for some time now, and with your permission, I shall take them as read.*

*The financial year 2021-2022 started with the virulent Wave 2 of the Covid-19 pandemic in the first quarter of the financial year. The year closed with optimism of a post Covid19 pandemic recovery but the shock waves from the war in Ukraine and retaliatory economic sanctions on Russia have jolted the global economy and led to a costly humanitarian crisis.*

*Economic damage from the conflict has contributed to a significant slowdown in global growth in 2022 and triggered inflation across the globe, which is expected to remain elevated for some time to come. Increasing fuel and food prices, coupled with shortage of essential commodities, have adversely affected large sections of vulnerable populations in low-income countries.*

*According to the second advance estimates of India's Gross Domestic Product (GDP) published by the National Statistical Office for the financial year 2021-22, GDP growth in the first and second quarter was 20.1% and 8.4% respectively. In the third quarter, the GDP growth slowed down to 5.4%. In the fourth quarter, India witnessed third wave of infection but remained largely unaffected owing to vaccination of large proportion of population. India's GDP growth in Financial Year 2021-22 is estimated at 8.9%, compared to a contraction of 7.3% in Financial Year 2020-21. The Index of Industrial Production grew 11.3% against an 8.4% contraction in Financial Year 2020-21. The consumer and business confidence were resilient with improvement in general economic situation, household incomes, and spending.*

*While businesses in different parts of the country have resumed their operations on a full-fledged basis, they are still facing macro-economic challenges caused by the pandemic and the war in Europe, which has lingered for nearly five months now, now with the added uncertainty caused by political tensions between Taiwan and China. The third wave of the pandemic, which occurred in the later part of the year, thankfully had much less detrimental impact on the economy than the earlier ones. The last two quarters of the financial year 21-22 witnessed gradual pick-up in activity and most of the macro parameters such as consumption, investments, capacity utilisation, etc. saw improvements. Domestic economic activity has stabilized thereafter, with the ebbing of the third wave and the easing of restrictions. Urban demand appears to have maintained expansion, but some weakness persists in rural demand. Investment activity seems poised to gain traction.*

*Over the past few years, Non-Banking Financial Companies (NBFCs) have played a prominent role in the Indian financial system. They provide financial inclusion to the underserved section of the society that does not have easy access to credit. NBFCs have revolutionized the Indian lending system and have efficiently leveraged digitization to drive efficiency and provide customers with a quick and convenient financing experience. The plethora of services include vehicle financing, MSME financing, home financing, microfinance and other retail segments. The Government has consistently worked on the governance measures to strengthen the systemic importance of the NBFCs. As of January 31, 2022, there were approximately 9,495 NBFCs registered with Reserve Bank of India (RBI), of which 49 deposit accepting NBFCs.*

*The Company's Assets under management stands at Rs. 441.51 lacs. The total income for the financial year was Rs. 53.98 lacs, and the Profit after tax was Rs. 10.21 lacs. Your company had the earnings per share for the year at Rs. 0.3292*

*I take this opportunity to thank all our esteemed shareholders and our promoter F Mec International Financial Services Limited, who have always extended their faith to us in our journey so far. My sincere thanks go out to the Reserve Bank of India, Securities and Exchange Board of India, BSE Ltd, Registrar, various commercial banks and the esteemed promoters of our assisted projects for their continued support and confidence. I am also grateful to my fellow members on the Board for their contribution towards steering the Company to a path of sustainable growth.*

*Last but not the least; I would also like to acknowledge the contribution of employees of F Mec International Financial Services Limited without whose continuous and untiring efforts none of this would have been possible.*

*Stay safe. Vaccinate yourself and your family. Wear masks. Maintain social distancing.*

*Thank you for your support. With my best wishes,*

*Yours sincerely*

**Sd/-**

**Mr. Apoorve Bansal**  
**Chairman & Managing Director**



# CORPORATE INFORMATION

## BOARD OF DIRECTORS

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### Executive Chairman/Managing Director

Mr. Apoorve Bansal

### Non-Executive Directors

Mr. Sachin Jain (Independent)

Mr. Awanish Srivastava (Independent)

Ms. Renuka Chouhan (Woman Director)

## CFO

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Ms. Mahima Jain

## STATUTORY AUDITORS

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*M/s Sanjay K. Singhal & Co.*  
Chartered Accountants  
New Delhi

## REGISTERED OFFICE

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908, 9<sup>th</sup> Floor, Mercantile House  
15, K.G. Marg, New Delhi-110001  
**CIN: L65100DLI993PLC053936**  
Website: <https://fmecinternational.com/>  
Phone No: 011-43680407  
E-mail: [fmecinternational@gmail.com](mailto:fmecinternational@gmail.com)

## STOCK EXCHANGE

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BSE Limited

## COMPANY SECRETARY

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Ms. Ritu Chauhan

## SECRETARIAL AUDITOR

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*M/s A.K. Verma & Co.*  
Company Secretaries  
New Delhi

## REGISTRAR & SHARE TRANSFER AGENTS

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*Skyline Financial Services Private Limited*  
D-153A, 1st Floor, Okhla Industrial Area, Phase- I  
New Delhi- 110020  
Tel: 011- 011-40450193-94-95-96-97  
Email: [info@skylinerta.com](mailto:info@skylinerta.com)

# **INVITATION**

Date: 19-07-2022

Dear Members/Directors/Auditor

You are cordially invited to attend the 29<sup>th</sup> Annual General Meeting (the 'AGM') of the members of F MEC INTERNATIONAL FINANCIAL SERVICES LIMITED to be held on Saturday, 17th September, 2022 at 12:30 P.M. at II Floor, 13-B, Central Bank Building, Netaji Subhash Marg, Daryaganj, Delhi-110002.

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

**Thanking You**

**For and on behalf of the Board**

**F MEC INTERNATIONAL FINANCIAL SERVICES LIMITED**

**Sd/-**

**Apoorve Bansal  
Managing Director  
DIN: 08052540**

*Enclosures:*

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



# **NOTICE**

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**NOTICE** is hereby given that the **29<sup>th</sup>** Annual General Meeting of the members of **F MEC INTERNATIONAL FINANCIAL SERVICES LIMITED** will be held on **Saturday, 17<sup>th</sup> September, 2022 at 12:30 P.M.** at the II Floor, 13-B, Central Bank Building, Netaji Subhash Marg, Daryaganj, Delhi-110002, to transact the following business:

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## **ORDINARY BUSINESS:**

**1. To Receive, Consider and Adopt the Audited Financial Statements as at 31<sup>st</sup> March, 2022 and Report of the Board of Directors' and Auditors' thereon:**

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

**“RESOLVED THAT** the Audited Balance Sheet & Statement of Profit and Loss Account and Cash Flow Statement for the Financial Year ended March 31, 2022 along with the Auditor’s Report and the Directors’ Report as circulated to the shareholders and laid before the meeting, be received, considered and adopted.”

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

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

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

## **SPECIAL BUSINESS:**

### **3. To Re-Appoint M/s A. K. Verma & Co., Company Secretaries (Registration Unique Code- P1997DE091500) as Secretarial Auditor for the Financial Year 2022-2023:**

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

**“RESOLVED THAT** pursuant to the provisions of Section 204 of the Companies Act, 2013, Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, and other applicable provisions of the Act and pursuant to relevant provisions of Articles of Association of the Company, consent of the members be and is hereby accorded to re-appoint **“M/s A.K. Verma & Co.”, Company Secretaries (Unique Code- P1997DE091500)**, New Delhi as Secretarial Auditor for Financial Year 2022-2023 at the remuneration as decided by the Board of Directors of the Company”.

### **4. To Appoint Ms. Renuka Chouhan (DIN: 09547785) as a Non-Executive Director of the Company**

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

**“RESOLVED THAT** pursuant to the provisions of Sections 152 and other applicable provisions, if any, of the Companies Act, 2013 (hereinafter referred to as “the Act”) and the relevant Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) Ms. Renuka Chouhan (DIN: 09547785) who was appointed as an Additional Director in the meeting of the Board of Directors held on 28.03.2022 and whose term expires at the ensuing Annual General Meeting of the Company, and is eligible for re-appointment, and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a Member proposing her candidature for appointment as a Director and in accordance with the recommendation of the Nomination and Remuneration Committee, be and is hereby appointed as a Non-Executive Director for a term of five years to hold office from the conclusion of this Annual General Meeting till the conclusion of the Annual General Meeting to be held in the year 2027.

**RESOLVED FURTHER THAT** Mr. Apoorve Bansal, Managing Director of the Company be and are hereby severally authorized to sign, file all forms, documents, papers etc. with the Registrar of Companies, NCT of Delhi and Haryana, Ministry of Corporate Affairs and to do all such acts, deeds, and things which may be necessary in this behalf.”

**5. To consider and approve the change of name of the company from F MEC INTERNATIONAL FINANCIAL SERVICES LIMITED to DHVIJA FINANCE LIMITED:**

To change the name of the Company subject to the approval of all the applicable regulatory authorities and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution:**

**“RESOLVED THAT** pursuant to section 13 of the Companies Act, 2013 (including any statutory modification or re-enactment thereof, for the time being in force) along with the RBI norms for Non-Banking Financial Companies and all other applicable provisions, if any, of the Companies Act, 2013 read along with Companies (Incorporation) Rules, 2014, as amended from time to time, subject to approval of the Central Government (power delegated to Registrar of Companies), Reserve Bank of India and any other Regulatory Authorities as may be necessary, consent of the members be and is hereby accorded to change the name of the Company from **“F MEC INTERNATIONAL FINANCIAL SERVICES LIMITED”** to **“DHVIJA FINANCE LIMITED”**

**“RESOLVED FURTHER THAT** the Name Clause being Clause I in the Memorandum of Association of the Company be and is hereby altered accordingly and substituted by the following clause:

*The Name of the Company is **“DHVIJA FINANCE LIMITED”***

**“RESOLVED FURTHER THAT** in terms of Section 14 of the Companies Act, 2013 the Articles of Association of the Company be altered by deleting the existing name of the Company wherever appearing and substituting it with the new name of the Company.

**“RESOLVED FURTHER THAT** Mr. Apoorve Bansal, Managing Director of the Company are hereby authorized to perform all such act, deeds and do such filings as are required to bring the above resolution into effect”

**6. To Consider and Approve the Alteration of Capital Clause of the Memorandum of Association of the Company:**

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

**“RESOLVED THAT** pursuant to section 61 and section 64 and other applicable provisions of the Companies Act, 2013 read with relevant rules made thereunder, including statutory modifications and re-enactment, enabling provisions of the Memorandum and Article of Association of F MEC INTERNATIONAL FINANCIAL SERVICES LIMITED (“the company”), all the notifications, regulations and circulars, as maybe applicable, the Authorized Share Capital of the Company be and is hereby increased from **Rs. 3,50,00,000/-(Rupees Three Crore Fifty Lacs only)** divided into **35,00,000 (Thirty Five Lakhs Only)** Equity Shares of Rs.10/- (Rupees Ten) each To **Rs. 10,00,00,000/-(Rupees Ten Crore only)** divided into **1,00,00,000 (One Crore only)** Equity Shares of Rs.10/- (Rupees Ten) each by creation of **65,00,000 (Sixty Five Lakhs Only)** Equity Shares of Rs.10/- (Rupees Ten) each ranking pari passu in all respects with the existing equity shares of the Company.

**“FURTHER RESOLVED THAT** in terms of Section 13, 61, 64 of the Companies Act, 2013, the consent of the members be and is hereby accorded for substituting the existing clause V of the memorandum of association of the company relating to Authorised share capital of the company with the following clause:

*“V. The Authorized Share Capital of the Company is **Rs. 10,00,00,000/-(Rupees Ten Crore only)** divided into **1,00,00,000 (One Crore only)** Equity Shares of Rs.10/- (Rupees Ten) each”*

**“FURTHER RESOLVED THAT** Mr. Apoorve Bansal, Managing Director of the Company are be and hereby severally authorized to perform all such acts, things and file and sign all such documents as maybe necessary and incidental to give effect to the above resolution.

By the order of the Board  
**F Mec International Financial Services Limited**

**Sd/-**

**Apoorve Bansal**

Place: New Delhi

Chairman/Managing Director  
(DIN: 08052540)

Date: 19.07.2022

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

**NOTES:**

- 1. A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy need not be a member of the Company.**
2. Proxy form in MGT-11/ Instrument appointing the proxy duly filled up and executed must be received at the Registered Office of the Company not less than 48 hours before the time fixed for the meeting. Proxies submitted on behalf of limited companies, societies, etc., must be supported by an appropriate resolution/authority, as applicable.
3. A person can act as a Proxy on behalf of not more than fifty members holding in aggregate, not more than ten percent of the total share Capital of Company carrying voting rights. A member holding more than 10% of the total share capital of the Company and carrying voting rights may appoint a single person as Proxy, who shall not act as a Proxy for any other Member.
4. The Statement as required under Section 102 of the Companies Act, 2013 in respect of all items of Special Business as set out in the notice is annexed hereto.
5. Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with relevant Rules made there under, Companies can serve Annual Reports and other communications through electronic mode to those Members who have registered their email address either with the Company or Depository Participant(s). Members of the Company who have registered their email address are also entitled to receive such communication in physical form, upon request.



6. The Notice of AGM, Annual Report and Attendance Slip are being sent in electronic mode to Members whose email address are registered with the Company or the Depository Participant(s), unless the Members have registered their request for the hard copy of the same. Physical copy of the Notice of AGM, Annual Report and Attendance Slip are being sent to those Members who have not registered their email address with the Company or Depository Participant(s). Members who have received the Notice of AGM, Annual Report and Attendance Slip in electronic mode are requested to print the Attendance Slip at the Registration Counter at the AGM.
7. The requirement to place the matter relating to appointment of Auditors for ratification by members at every Annual General Meeting is done away with vide Notification dated 7<sup>th</sup> May 2018 issued by the Ministry of Corporate Affairs (MCA), New Delhi. Accordingly, no resolution is proposed for ratification of appointment of Auditors, who were appointed in the Annual General Meeting held on 23<sup>rd</sup> December 2020 for a term of five years.
8. Mr. Apoorve Bansal was appointed as Non- Independent Additional Director of the Company on 15<sup>th</sup> January, 2018 and later his appointment was regularized in the Annual General Meeting held on 22<sup>nd</sup> September, 2018 in which he was further appointed as Managing Director of the Company. Accordingly, he is liable to retire by rotation in this Annual General Meeting in terms of provisions of Section 152(6) of the Companies Act, 2013 read with the applicable Companies (Appointment and Qualification of Directors) Rules, 2014 and being eligible offers himself for re-appointment, and the said resolution will be duly placed before the members, for their approval in this Annual General Meeting.
9. **Securities and Exchange Board of India (“SEBI”) has mandated that securities of Listed Companies can be transferred only in dematerialized form w.e.f. April 1, 2019. Accordingly, the Company/ Skyline Financial Services Private Limited (RTA) has stopped accepting any fresh lodgment of transfer of shares in physical form. Members holding shares in physical form are advised to avail of the facility of dematerialization.**
10. The Register of Members and Share Transfer Books shall remain closed from 10<sup>th</sup> September, 2022 to 17<sup>th</sup> September, 2022 **(both days inclusive)**.
11. Members desiring any further information on the business to be transacted at the meeting should write to the Company at least 15 days before the date of the meeting so as to enable the management to keep the information, as far as possible, ready at the meeting.
12. Members are requested to notify the Company about the change of address, if any, to the Registered Office of the Company.
13. Members are requested to bring their Attendance Slip and copy of the Annual Report with them at the Annual General Meeting.
14. All correspondence relating to shares may be addressed to the Registered Office of the Company.
15. The business set out in the Notice can be transacted through electronic voting system and the Company is providing facility for voting by electronic means. Instructions and other information relating to e-voting are given in this Notice under Note No. 18.

16. Members desiring any information/clarification on the Accounts are requested to write to the Company in advance at least seven (7) days before the meeting so as to keep the information ready at the time of Annual General Meeting.
17. As per provisions of the Companies Act, 2013 facility for making nominations is available to the shareholders in respect of the shares held by them. Nomination forms can be obtained from the Registered Office of the Company.

**18. Voting Through Electronic Means**

- a) Pursuant to the provisions of Section 108 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Management and Administration) Rules, 2014, as amended and regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide to its members facility to exercise their right to vote on resolutions proposed to be passed in the Meeting as stated in the Notice by electronic means. The members may cast their votes using an electronic voting system from a place other than the venue of the Meeting ('remote e-voting').
- b) The facility for voting through Ballot Paper shall be made available at the Meeting and the members attending the Meeting who have not cast their vote by remote e-voting shall be able to vote at the Meeting through Ballot Paper.
- c) The members who have cast their vote by remote e-voting may also attend the Meeting but shall not be entitled to cast their vote again.
- d) The Company is providing facility for voting by electronic means to its members to enable them to cast their votes through such voting. The Company has engaged the services of National Securities Depository Limited ("NSDL") as the Authorized Agency to provide remote e-voting facility (i.e. the facility of casting votes by a member by using an electronic voting system from a place other than the venue of a general meeting).
- e) The Board of Directors of the Company has appointed **Mr. Ashok Kumar Verma, Partner of A.K. Verma & Co, Company Secretaries, New Delhi** as Scrutinizer to scrutinize the voting through Ballot Paper and remote e-voting process in a fair and transparent manner and he has communicated his willingness to be appointed and will be available for same purpose.
- f) Remote e-voting facility will be available during the following period:

<b>Commencement of remote e-voting</b>	<b>9.00 A.M. 14<sup>th</sup> September, 2022</b>
<b>End of remote e-voting</b>	<b>5.00 P.M. 16<sup>th</sup> September, 2022</b>

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

- g) The cut-off date for the purpose of voting (including remote e-voting) is **10<sup>th</sup> September, 2022.**

- h) The Scrutinizer, after scrutinizing the votes cast at the meeting (through Ballot Paper) and through remote e-voting, will, not later than three days of conclusion of the Meeting, make a consolidated scrutinizer's report and submit the same to the Chairman. The results declared along with the consolidated scrutinizer's report shall be placed on the website of the Company <https://fmecinternational.com/investor.html> . The results shall simultaneously be communicated to the Stock Exchanges.

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

- (i) The remote e-voting period begins on **Wednesday, 14th September, 2022 at 09:00 A.M.** and ends on **Friday, 16<sup>th</sup> September, 2022 at 05:00 P.M.** The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. **10<sup>th</sup> September, 2022**, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being 10<sup>th</sup> September, 2022.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) **How do I vote electronically using NSDL e-Voting system?**  
*The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:*




**Step 1: Access to NSDL e-Voting system**

**A) Login method for e-Voting for Individual shareholders holding securities in demat mode**

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	1. Existing <b>IDeAS</b> user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the " <b>Beneficial Owner</b> " icon under " <b>Login</b> " which is available under ' <b>IDeAS</b> ' section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on " <b>Access to e-Voting</b> " under e-Voting services and you will be able to see e-Voting page.

	<p>Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period. If you are not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select <b>“Register Online for IDeAS Portal”</b> or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></p> <ol style="list-style-type: none"> <li>2. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period.</li> <li>3. Shareholders/Members can also download NSDL Mobile App <b>“NSDL Speede”</b> facility by scanning the QR code mentioned below for seamless voting experience.</li> </ol> <div data-bbox="722 1081 1193 1365" style="text-align: center;"> <p><b>NSDL Mobile App is available on</b></p>    </div>
<p>Individual Shareholders holding securities in demat mode with CDSL</p>	<ol style="list-style-type: none"> <li>1. Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</li> <li>2. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of <b>e-Voting service provider i.e. NSDL</b>. Click on <b>NSDL</b> to cast your vote.</li> <li>3. If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> </ol>

	4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.**

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022-23058738 or 022-23058542-43

**B) Login Method for e-Voting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

**How to Log-in to NSDL e-Voting website?**

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

*Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.*



4. Your User ID details are given below :

<b>Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical</b>	<b>Your User ID is:</b>
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID  For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID  For example if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company  For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- c) How to retrieve your 'initial password'?
  - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
  - (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**

<p>6. If you are unable to retrieve or have not received the “ Initial password” or have forgotten your password:</p> <p>a) Click on “<b><u>Forgot User Details/Password?</u></b>”(If you are holding shares in your demat account with NSDL or CDSL) option available on <a href="http://www.evoting.nsdl.com">www.evoting.nsdl.com</a>.</p> <p>b) <b><u>Physical User Reset Password?</u></b>” (If you are holding shares in physical mode) option available on <a href="http://www.evoting.nsdl.com">www.evoting.nsdl.com</a>.</p> <p>c) If you are still unable to get the password by aforesaid two options, you can send a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> mentioning your demat account number/folio number, your PAN, your name and your registered address etc.</p> <p>d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.</p>
<p>7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.</p>
<p>8. Now, you will have to click on “Login” button.</p>
<p>9. After you click on the “Login” button, Home page of e-Voting will open.</p>

**Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.**

**How to cast your vote electronically and join General Meeting on NSDL e-Voting system?**

1. After successful login at Step 1, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select “EVEN” of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting.
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
5. Upon confirmation, the message “Vote cast successfully” will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

**General Guidelines for shareholders**

1. 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. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [fcsvermaashok@gmail.com](mailto:fcsvermaashok@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event,

you will need to go through the “Forgot User Details/Password?” or “Physical User Reset Password?” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.

3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and 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 1020 990 and 1800 22 44 30 or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

**Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:**

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to [fmecinternational@gmail.com](mailto:fmecinternational@gmail.com)
  2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to [fmecinternational@gmail.com](mailto:fmecinternational@gmail.com) If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**
  3. Alternatively shareholder/members may send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for procuring user id and password for e-voting by providing above mentioned documents.
  4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.
- (iv) The Results shall be declared within two working days of conclusion of the Annual General Meeting of the Company i.e 19th September, 2022. The Results declared along with the Scrutinizer’s Report shall be placed on the Company’s website <https://fmecinternational.com/investor.html> and on the website of NSDL and communicated to the Bombay Stock Exchange.

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

### **Item No. 3**

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

The Board hereby recommends re-appointing **M/s A.K. Verma & Co., Company Secretaries, (Registration Unique Code- P1997DE091500)** having experience of more than 20 years of Corporate Services in field of Corporate Laws as Secretarial Auditor of Company for the Financial Year 2022- 23.

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

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

1. Copy of the Board/ Shareholder's Resolution.
2. Notice of the AGM with Explanatory Statement.
3. Balance Sheet as on 31<sup>st</sup> March, 2022 along with Profit & Loss Account and Auditors' Report thereon of the Company.

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

### **Item No.4**

As per the provisions of section 152 and Companies (Appointment and qualifications) Rules,2014, the board recommends the appointment of Ms. Renuka Chouhan (DIN: 09547785) who was approved as an Additional Director in the meeting of the Board of Directors held on 28.03.2022 and whose term expires at the ensuing Annual General Meeting of the Company, and is eligible for re-appointment, and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a Member proposing her candidature for appointment as a Director.

Considering the rich experience of Ms. Renuka Chouhan, the Nomination & Remuneration Committee along with the Board recommends her appointment as Non-Executive Director. The Company benefit from her insights and perspective.

It is proposed to seek Member's approval for the appointment of Ms. Renuka Chouhan (DIN: 09547785) as a Non-Executive Director of the Company.

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

### **Item No. 5**

It is proposed to change the name of the Company in order to broaden the scope of its business and to ensure prosperity; it was decided by the Board to change the name of the Company, in compliance with the provisions of the Companies Act, 2013 along with the RBI norms for NBFCs, from **"F MEC INTERNATIONAL FINANCIAL SERVICES LIMITED"** to **"DHVIJA FINANCE LIMITED"** which means '*Borne for performing the great things*'.

The Board of Directors of the Company had, at its meeting held on Tuesday, 19<sup>th</sup> day of July 2022, resolved that, the name of the Company be changed from **"FMEC INTERNATIONAL FINANCIAL SERVICES LIMITED"** to **"DHVIJA FINANCE LIMITED"**, and accordingly Clause I (Name Clause) in the Memorandum of Association of the Company is to be altered by substituting the same with New Clause I i.e.

Clause I – The name of the Company is **DHVIJA FINANCE LIMITED**.

**Therefore, the Board of Directors recommends passing the Special Resolution for the purpose of change of name of the Company.**

None of the Directors are in any way concerned/interested or concerned in any way in the proposed Resolution.

### **Item No. 6**

The present Authorised Share Capital of the Company is **Rs. 3,50,00,000/-**(Rupees Three Crore Fifty Lacs) divided into 35,00,000 (Thirty Five Lakhs Only) Equity Shares of Rs.10/- (Rupees Ten) each. Considering the increased fund requirements of the Company, the Board at its Meeting held on Tuesday, 19<sup>th</sup> day of July 2022, had accorded its approval for increasing the Authorised Share Capital from **Rs. 3,50,00,000/-**(Rupees Three Crore Fifty Lacs only) divided into **35,00,000 (Thirty Five Lakhs Only) Equity Shares of Rs.10/- (Rupees Ten) each to Rs.10,00,00,000/- (Rupees Ten Crore only) divided into 1,00,00,000 (One Crore only) Equity Shares of Rs.10/- (Rupees Ten) each**, subject to shareholders approval.



It is therefore proposed to increase the Authorised Share Capital of the Company **from Rs.3,50,00,000/-(Rupees Three Crore Fifty Lacs) to Rs.10,00,00,000/-(Rupees Ten Crore)** divided into 1,00,00,000 (One Crore) Equity Shares of Rs.10/- (Rupees Ten) each. Each ranking pari passu with the existing Equity Shares in all respects as per the Memorandum and Articles of Association of the Company.

Consequently, Clause V of the Memorandum of Association would also require alteration so as to reflect the changed Authorised Share Capital.

The proposal for increase in Authorised Share Capital and amendment of Memorandum of Association of the Company requires approval of members at a general meeting.

None of the Directors or Key Managerial Personnel of the Company or their respective relatives is in any way concerned or interested, financially or otherwise in the said resolution.

**The consent of the members is, therefore, being sought for passing the aforesaid resolution of the notice as a Special Resolution.**

## **Annexure A**

### **DETAILS OF DIRECTOR SEEKING APPOINTMENT AT THE ANNUAL GENERAL MEETING**

*(In pursuance of Regulation 36 (3) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015)*

S.NO	BRIEF PARTICULARS	Item No. 4
1.	<b>Name of Director</b>	Ms. Renuka Chouhan
2.	<b>DIN</b>	09547785
3.	<b>Date of Birth</b>	26/11/1989
4.	<b>Date of Appointment</b>	28/03/2022
5.	<b>Qualification</b>	Commerce Graduate
6.	<b>Expertise in specific functional Area</b>	Accounts, Administration and Corporate Management
7.	<b>Terms and Conditions of reappointment along with details of remuneration and last drawn remuneration, if applicable.</b>	As Mutually decided
8.	<b>Disclosure of relationship between directors inter-se</b>	NA
9.	<b>Shareholding in the Company</b>	NA
10.	<b>Board /Committee Membership of other Public Listed Companies</b>	NIL
11.	<b>List of Public/Private Companies in which outside Directorship held (including Foreign Companies)</b>	0

# F MEC INTERNATIONAL FINANCIAL SERVICES LIMITED

Registered office: 908, 9<sup>th</sup> Floor, Mercantile House,  
15 K.G. Marg, New Delhi- 110001  
CIN: L65100DL1993PLC053936

## ADMISSION SLIP

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

DP ID..... Client .....

Regd. Folio No.\* No. of Shares .....

Name(s) in Full          Father's/Husband's Name          Address as Regd. with the Company

- 1.
- 2.
- 3.

I/WE HEREBY RECORD MY/OUR PRESENCE AT THE 29<sup>th</sup> ANNUAL GENERAL MEETING OF THE COMPANY BEING HELD ON SATURDAY, 17<sup>th</sup> DAY OF SEPTEMBER, 2022 AT 12:30 P.M. AT II FLOOR, CENTRAL BANK BUILDING, 13-B, NETAJI SUBHASH MARG, DARYAGANJ, DELHI-110002.

Member

Proxy

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

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

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

## Form No. MGT-1 1

### Proxy Form

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

**CIN:** L65100DL1993PLC053936

**Name of the company: F MEC INTERNATIONAL  
FINANCIAL SERVICES LIMITED**

**Registered office:** 908, 9th Floor, Mercantile House,  
15 K.G. Marg, New Delhi- 110001.

Name of the member (s):

Registered address:

E-mail Id:

Folio No/ Client Id:

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

1. Name:

Address:

E-mail Id:

Signature:..... or failing him

2. Name:

Address:

E-mail Id:

Signature:.....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the **29<sup>TH</sup> Annual General Meeting** of the company, to be held on **Saturday, 17th day of September, 2022 at 12:30 P.M** at II Floor, 13-B, Central Bank Building, Netaji Subhash Marg, Daryaganj, Delhi-110002 and at an adjournment thereof in respect of such resolutions as are indicated below:

<b>Resolutions</b>	<b>For (Approved)</b>	<b>Against (Rejected)</b>
1. To consider and adopt the Audited Financial Statements for the year 31 <sup>st</sup> March, 2022 together with the Board Report and Auditors' Report thereon.		
2. To appoint a Director in place of <b>Mr. Apoorve Bansal (DIN: 08052540)</b> who retires by rotation and, being eligible, offers himself for re-appointment.		
3. To re-appoint <b>M/s A. K. Verma &amp; Co., Company Secretaries (Registration Unique Code-S1997DE019500)</b> as Secretarial Auditor for the Financial Year 2022-2023.		
4. To Appoint <b>Ms. Renuka Chouhan (DIN: 09547785)</b> as a Non-Executive Director of the Company.		
5. To consider and approve the <b>change of name</b> of the company from <b>F MEC INTERNATIONAL FINANCIAL SERVICES LIMITED</b> to <b>DHVIJA FINANCE LIMITED</b>		
6. To Consider and Approve the <b>Alteration of Capital Clause</b> of the Memorandum of Association of the Company		

Signed this ..... day of ..... 2022

Affix Revenue Stamp	Re.1
---------------------------	------

Signature of shareholder

Signature of Proxy holder(s)

**Notes:**

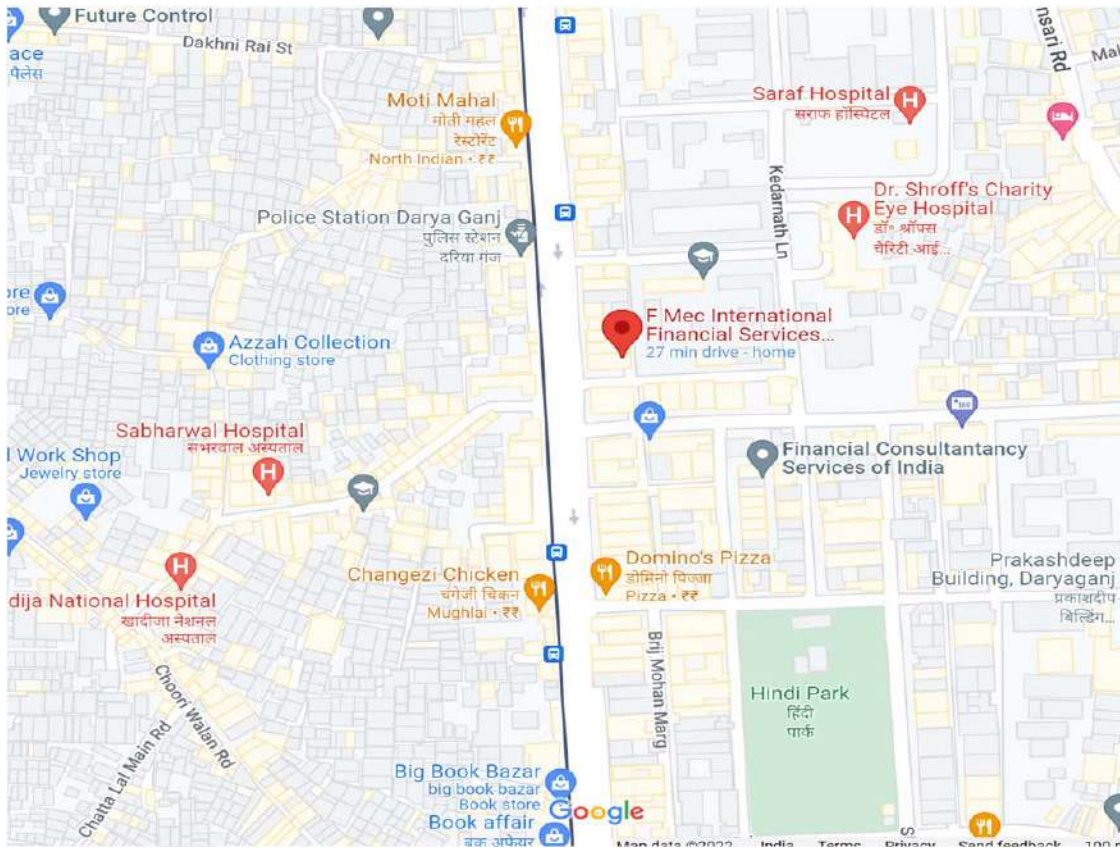
\* Please put an 'X' in the Box in the appropriate column against the respective resolutions. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.

\* A Proxy need not be a Member of the Company. Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as proxy on behalf of not more than fifty Members and holding in aggregate not more than ten percent of the total Share Capital of the Company. Members holding more than ten percent of the total Share Capital of the Company may appoint a single person as proxy, who shall not act as proxy for any other Member.

\* This form of Proxy, to be effective, should be deposited at the Registered Office of the Company at 908,9th Floor, Mercantile House, 15 K.G. Marg, New Delhi- 110001 at not later than FORTY-EIGHT HOURS before the commencement of the aforesaid Meeting.

\*In the case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.

# ROAD MAP FOR AGM



## AGM ADDRESS:

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

CIN: L65100DL1993PLC053936

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

Tel: 011-43680407

# DIRECTORS' REPORT

**Dear Stakeholder(s)**

Your Directors have pleasure in presenting the 29<sup>th</sup> Annual Report of the Company together with the Audited Statement of Accounts and Auditor's Report for the year ending 31<sup>st</sup> March, 2022

## COMPANY OVERVIEW

**F MEC INTERNATIONAL FINANCIAL SERVICES LIMITED (CIN: L65100DL1993PLC053936)** is a BSE Listed Company (**Scrip Code: 539552**) having Registered Office at **908, 9th Floor Mercantile House, 15 K.G. Marg, Delhi-110001** working as a Non-Banking Finance Company after registration with Reserve Bank of India. The Company has obtained registration as a Non- Banking Financial Company ("NBFC") from Reserve Bank of India and is bearing Registration Number- **B-14.01129 dated 11<sup>th</sup> September, 1998.**

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

## PERFORMANCE HIGHLIGHTS

- ❖ The income for the FY 2021-2022 increased by 2.11% to Rs. 52.67 Lakhs as compared to Rs. 51.58 Lakhs in FY 2020-2021.
- ❖ Profit before Tax for the FY 2021-2022 increased by 94.46% to Rs 13.69 Lakhs as compared to Rs 7.04 Lakhs in FY 2020-2021.
- ❖ Profit after Tax for the FY 2021-2022 increased by 105.43.% to Rs.10.21 Lakhs as compared to Rs. 4.97 Lakhs in FY 2020-2021.
- ❖ The Earning Per Share (EPS) of the Company for the FY 2021-2022 also witnessed a increase of 105.49% to Rs 0.3292 per share as compared to Rs 0.1602 per share in FY 2021-2021.

## FINANCIAL RESULTS

The World is finally starting to come out of the dip in the financial sector caused by the pandemic of Covid-19, and the financial market is starting to heal. The Management of the Company excellently strategized to minimize the cost alongside the best efforts to increase the revenue of the Company and earned the Company a profit of Rs. 10,21,000/- (Rupees Ten Lakhs Twenty One Thousand) as compared to previous year's profit of Rs. 4,97,000/- (Rupees Four Lakhs Ninety Seven Thousand)



The Financial Results of the Company for the year ended 31<sup>st</sup> March, 2022 are as follows:-

	(Rs.)	(Rs.)
<u>Particulars</u>	<u>2021- 2022</u>	<u>2020- 2021</u>
<b>Gross Income</b>	53,98,000	51,91,000
<b>Profit before Interest and Depreciation</b>	15,87,000	8,88,000
<b>Less: Finance Charges</b>	(2,000)	(1,000)
<b>Gross Profit</b>	15,85,000	8,87,000
<b>Less: Provision for Depreciation</b>	(2,16,000)	(1,82,000)
<b>Net Profit Before Tax</b>	13,69,000	7,05,000
<b>Less: Current Tax</b>	(3,57,000)	(1,95,000)
<b>Less: Deferred Tax</b>	9,000	(13,000)
<b>Net Profit After Tax</b>	10,21,000	4,97,000
<b><u>Appropriations:</u></b>		
<b>Transfer to/roll back from</b>		
• <b>Reserves for Bad and Doubtful Debts</b>	20,000	(39,000)
• <b>Special Reserves and (As per RBI Act, 1934 – applicable for NBFC)</b>	2,04,000	99,000
• <b>Reserves and Surplus</b>	7,96,000	4,37,000
<b>Proposed Dividend on Equity Shares</b>	-	-
<b>Tax on proposed Dividend</b>	-	-
<b>Earning per Equity Share (EPS)</b>	0.3292	0.1602

Your Company has prepared the Financial Statements for the Financial Year ended March 31, 2022 under Section 133 of the Companies Act, 2013 and in accordance with revised Schedule III of the Companies Act, 2013 and has recast the Financial Statements relating to the previous Financial Year ended March 31, 2021 in order to make them comparable.

### SHARE CAPITAL

The **Authorized Share Capital** of the Company as on 31<sup>st</sup> March 2022 was **Rs. 3,50,00,000 (Rupees Three Crore Fifty Lacs Only)** and Paid-up Equity Share Capital of the Company as on March 31<sup>st</sup>, 2022, was **Rs. 3,10,07,000 (Rupees Three Crore Ten Lacs and Seven Thousand Only)**. There was no change in the Authorized or the Paid-up Capital/Subscribed Capital during the Financial Year 2021-22.

a. **Buy Back Of Securities**

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

b. **Sweat Equity**

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

c. **Bonus Shares**

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

d. **Employees Stock Option Plan**

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

e. **Shares With Differential Rights**

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

## **RESERVES AND SURPLUS**

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

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

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

## **DIVIDENDS**

Considering the present conditions of business and growth stage of Company and plans for business expansion, the Board of Directors of the Company has decided not to recommend any dividend for the Financial Year 2021-22. The Management being optimistic about the return from business activities has proposed to plough back divisible profit into the main activities of the Company.

## **DEPOSITS**

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

**F Mec International Financial Services Limited** has been registered as a Non-Banking Finance Company- Not accepting deposits. Hence, pursuant to Section 45- IA of the Reserve Bank of India Act 1934, the Company cannot accept deposits from public, in compliance of which the Company has not accepted any Deposits during the year. Further, the Directors of the Company assured to carry on the practice of not accepting the same in order to comply with RBI norms and guidelines in the coming year and the same has been proposed and passed in the meeting of Board of Directors dated 26<sup>th</sup> May, 2022.

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

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

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

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

## **INVESTOR RELATIONS**

Your Company has been continuously interacting and endeavors to further improve its engagement with investors/analysts by participating either in-person meetings or through use of technology i.e. telephone meetings.

## **DETAILS OF APPLICATION MADE OR PROCEEDING PENDING UNDER INSOLVENCY AND BANKRUPTCY CODE, 2016**

During the year under review, there were no applications made or proceedings pending in the name of the Company under the Insolvency and Bankruptcy Code, 2016

## **RBI GUIDELINES**

The Company continues to comply with all the applicable regulations prescribed by the Reserve Bank of India ("RBI"), from time to time.

## DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Directors

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

- **Mr. Apoorve Bansal (DIN: 08052540) – Managing Director**
- **Mr. Awanish Srivastava (DIN: 07810744) – Independent Director**
- **Ms. Renuka Chouhan (DIN: 09547785) - Non- Executive Woman Director**
- **Mr. Sachin Jain (DIN: 02932194) – Independent Director**

**Ms. Renuka Chouhan (DIN:09547785)** who was appointed as **Additional Non-Executive Director** in the Board of Directors meeting held on 28<sup>th</sup> March 2022 was regularized by the members in Annual General Meeting held on 17th September 2022. During the year under review **Ms Richa Choudhary (DIN: 08132252)** resigned on 28<sup>th</sup> March 2022 due to personal reasons.

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

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

### B. Key Managerial Personnel of the Company

During the year under review, there was no change in the Key Managerial Personnel (KMP) of the Company, however between the end of the reporting year and the date of report there was a change in the Company Secretary and Compliance Officer of the Company. Ms. Renu Singhal resigned as the Company Secretary and Compliance Officer of the Company and Ms. Ritu Chauhan was appointed in her place, with effect from 15<sup>th</sup> July 2022

The following persons continue to be the KMPs as per the provisions of Section 203 of the Companies Act, 2013 read with the applicable Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as on the date of this Report:

- **Mr. Apoorve Bansal (DIN: 08052540) – Managing Director**
- **Ms. Mahima Jain (PAN – APJPJ2796N – Chief Financial Officer (CFO)**
- **Ms. Ritu Chauhan (PAN – CIJPR9539L) – Company Secretary (CS)**

## **DECLARATION BY INDEPENDENT DIRECTORS**

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

## **BOARD DIVERSITY, THEIR APPOINTMENT AND REMUNERATION**

The Company's Board of Directors constitute of Four Directors comprising of One Executive Director and Three Non-Executive Directors, two of which are Independent Directors. Appointment of Independent Directors of the Company shall be governed by the Code of Independent Director and Appointment of Non Independent Directors of the Company shall be governed by the Policy of Nomination and Remuneration of the Company. The detailed policy on appointment of Directors is available on the Company's website at <https://fmecinternational.com/investor.html>.

## **DISCLOSURES ON REMUNERATION OF DIRECTORS AND EMPLOYEES OF THE COMPANY**

In terms of the provisions of Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Director(s) of the Company has drawn remuneration during the year under review which is in compliance of the applicable provisions of Companies Act, 2013 and no employee(s) of the Company has drawn remuneration in excess of the limits set out in the said rules.

## **CORPORATE GOVERNANCE**

A detailed report on Corporate Governance pursuant to Regulation 34 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 forms part of the Annual Report as "Annexure-I". As per the provisions of Regulation 15(2) of the SEBI (Listing Obligations & Disclosure Requirements) Regulation 2015, provision of Regulation 27 and paras C, D and E of Schedule V of SEBI regulations shall not applicable to the Company as the paid up equity share capital of the Company and Net worth of the Company is not exceeding Rs. 10 Crore and Rs. 25 Crore respectively, as on the last day of the previous financial year. As a good corporate practice and for more transparency, the Company has provided the information in Corporate Governance Report on a suo-moto basis under the provisions of paras C, D and E of Schedule V of SEBI (Listing Obligations & Disclosure Requirements) Regulation 2015. Our Corporate Governance report forms the part of Annual Report.

## **DETAILS OF DIFFERENCE BETWEEN VALUATION AMOUNT ON ONE TIME SETTLEMENT AND VALUATION WHILE AWAITING LOAN FROM BANKS AND FINANCIAL INSTITUTIONS**

During the year under review, there has been no one time settlement of Loans taken from Banks and Financial Institutions.

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

The calendar of the Board/Committee Meetings and the Annual General Meeting is circulated to the Directors in advance to enable them to plan their schedule for effective participation at the respective meetings. At times certain decisions are taken by the Board/Committee through circular resolutions. All the decisions and urgent matters approved by way of circular resolutions are placed and noted at the subsequent Board/Committee Meeting.

The Board of Directors met **Four (4) times** during the year on **26.06.2021, 12.08.2021, 11.11.2021, and 11.02.2022**. The Company has Four Committees out of its Board namely **Executive Committee, Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee**

Independent Directors meeting for the Financial Year was held **11.02.2022**.

A detailed update on the Board, its composition, detailed charter including terms and reference of various Board Committees, number of Board and Committee meetings held during FY 2021-22 and attendance of the Directors at each meeting is provided in the Report on Corporate Governance, which forms part of this Report.

- **Chairman of the Board**

**Mr. Apoorve Bansal**, Managing Director of the Company, continue to be the Chairman of the Board.

- **Re-appointments/Regularizations**

**Mr. Apoorve Bansal**, Director is liable to retire by rotation at this AGM and being eligible, offers himself for re-appointment. Your Board recommends re-appointment of Mr. Apoorve Bansal as a Director of the Company, liable to retire by rotation.

In pursuance of Regulation 36 (3) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, a brief profile along with necessary disclosures of, has been annexed to the Notice convening the ensuing AGM and forms an integral part of this Annual Report.

Mr. Awanish Srivastava, and Mr. Sachin Jain, Independent Directors of the Company have declared to the Board of Directors that they meet the criteria of Independence as laid down in Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) and 25 of the Listing Regulations and there in no change in their status of Independence. Your Board places on records its deep appreciation for their continuous guidance, support and contribution to the Management of the Company in its pursuit to achieve greater heights.

The Independent Directors met once during the year under review, on **11th February, 2022**. The Meetings were conducted in an informal manner without the presence of the Whole-time Directors, the Non-Executive Non-Independent Directors, or any other Management Personnel.

## **SECRETARIAL STANDARDS**

The Directors have devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards issued by the Institute of Company Secretaries of India and that such systems are adequate and operating effectively. The 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 complied by your Company.

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

As on 31<sup>st</sup> March, 2022 the Company neither has any Associate, Subsidiary Company nor any Joint Venture Company.

Pursuant to Section 129(3) of the Companies Act, 2013 read with Rule 5 of Companies (Accounts) Rules, 2014, Consolidated Financial Statements of the Company not required to be annexed to the Annual Report to reflect the Performance and Financial Position of the Subsidiary/Associate.

## **EXTRACT OF ANNUAL RETURN**

Pursuant to sub-section 3(a) of Section 134 and subsection (3) of Section 92 of the Companies Act, 2013, read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of the Annual Return as at 31st March, 2022 in Form No. MGT-9, is appended as “*Annexure II*” and forms part of this Report.

The Annual Return of the Company as at 31st March, 2022 has been placed on the website of the Company after filing with the Ministry of Corporate Affairs and can be accessed at <https://fmecinternational.com/investor.html> / **Financial Reports/Annual Returns**.

## **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

In terms of the provisions of Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, A detailed analysis of the Company’s performance is discussed in the Management Discussion and Analysis Report, which forms part of this Annual Report, as an “*Annexure-III*”.

## **LOANS, GUARANTEE AND INVESTMENT**

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



## AUDITORS AND AUDITORS' REPORT

### **(i) Statutory Auditors**

M/s Sanjay K Singhal & Co., Chartered Accountants, Auditors of the Company were re-appointed as Statutory Auditors in the Annual General Meeting held on 23rd December, 2020 for a period of five consecutive years to hold office upto the conclusion of the Annual General Meeting to be held in the year 2025. However, the requirement to place the matter relating to appointment of Auditors for ratification by members at every Annual General meeting as required pursuant to the provisions of Section 139(1) of the Companies Act, 2013 is done away with vide Notification dated 7th May, 2018 issued by the Ministry of Corporate Affairs (MCA), New Delhi. Accordingly, no resolution is proposed for ratification of appointment of Auditors in the ensuing Annual General Meeting of the Company.

The Report given by the Auditors on the Financial Statements of the Company for the Financial Year 2021-22 is a part of the Annual Report.

The Report is unmodified and does not contain any qualification, reservation, adverse remark or disclaimer

### **(ii) Secretarial Auditor**

M/s A.K. Verma & Co, Practicing Company Secretaries (Registration No./Unique Code-P1997DE091500) was appointed to conduct the Secretarial Audit of the Company for the Financial Year 2021-2022, as required under Section 204 of the Companies Act, 2013 and rules framed there under. The Secretarial Audit Report for the Financial Year 2021-2022 forms part of the Annual Report as “Annexure-V” to the Board’s report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

The Board has re-appointed M/s A.K. Verma & Co, Practicing Company Secretaries, as the Secretarial Auditor of the Company for the Financial Year 2022-2023 after obtaining their consent to act in such capacity.

### **(iii) Internal Auditors**

M/s. Rajeev Shankar & Co., Chartered Accountants (FRN: 014006N) were appointed to conduct the Internal Audit of the Company for the Financial Year 2021-2022, as required under Section 138 of the Companies Act, 2013 and rules framed there under.

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

The Board proposes to re-appoint **M/s. Rajeev Shankar & Co., Chartered Accountants (FRN: 014006N)** as Internal Auditor of the Company for the Financial Year 2022-2023 after obtaining their consent to act in such capacity.

### Qualification, reservation or adverse remark in the Auditor's Reports and Secretarial Audit Report

- **Statutory Auditors:**

There is no qualification, reservation or adverse remark made by the Statutory Auditors in their Auditor's Report to the Financial Statements

- **Secretarial Auditors:**

There is no qualification, reservation or adverse remark made by the Secretarial Auditors in their Auditor's Report to the Financial Statements.

### REPORTING OF FRAUDS BY AUDITORS

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

### CORPORATE SOCIAL RESPONSIBILITY

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

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

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

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

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

## **AUDIT COMMITTEE**

The Board of Directors of your Company has a duly constituted Audit Committee in terms of the provisions of Section 177 of the Companies Act, 2013 read with rules framed thereunder and Regulation 18 of the Listing Regulations. The terms of reference of the Audit Committee has been approved by the Board of Directors. Composition of the Audit Committee, number of meetings held during the year under review, brief terms of reference and other details have been provided in the Corporate Governance Report which forms part of this Annual Report. Recommendations made by the Audit Committee are generally accepted by your Board.

## **RISK MANAGEMENT**

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

## **INTERNAL FINANCIAL CONTROL SYSTEM AND ITS ADEQUACY**

The Board has adopted policies and procedures 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 disclosures.

## **VIGIL MECHANISM**

In terms of provisions of section 177 of the Companies Act, 2013 and rules framed thereunder read with Regulation 22 of the Listing Regulations, your Company has a vigil mechanism in place for the Directors and Employees of the Company through which genuine concerns regarding various issues relating to inappropriate functioning of the organization can be communicated. For this reason, your Board has formulated a Whistle Blower Policy and uploaded on the website of the Company at <https://fmecinternational.com/investor.html>

Protected disclosures can be made by a whistle blower through an e-mail or dedicated telephone line or a letter to the Task Force or to the Chairperson of the Audit Committee i.e Mr. Awanish Srivastava either personally or through e-mail at [fmecinternational@gmail.com](mailto:fmecinternational@gmail.com) or call at 011-43680407.

During the year under review, there has been no incidence reported which requires action by the Board or Committee.

## PREVENTION OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE

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

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

The following is a summary of sexual harassment complaints received and disposed off during the Financial Year ended March 31, 2022:

- No. of complaints received : NIL
- No. of complaints disposed off : Not Applicable

## PARTICULARS OF RELATED PARTY TRANSACTION

There were no contracts or arrangements entered into by the Company in accordance with provisions of section 188 of the Companies Act, 2013. Further, all The Related Party Transactions in terms of the Provisions of Companies Act 2013 were entered in the ordinary course of business during the Financial Year 2021-2022 and were also at arm's length basis. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other Designated Person which may have a potential conflict with the interest of Company at large.

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

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

## **DISCLOSURE REGARDING MAINTENANCE OF COST RECORDS**

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

## **DIRECTORS' RESPONSIBILITY STATEMENT**

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

- i. In the preparation of the annual accounts for the year ended 31<sup>st</sup> March 2022, the applicable accounting standards had been followed along with proper explanation relating to material departures.
- ii. The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year and of the Profit and Loss of the Company for that period.
- iii. The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv. The Directors had prepared the annual accounts on a Going Concern Basis.
- v. The Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively ;and
- vi. The Directors had devised proper system to ensure compliance with the provisions of all applicable laws and such system were adequate and operating effectively.

## **ACKNOWLEDGEMENT**

Your Board is grateful for the unstinted support and trust reposed by our shareholders and places on record its deep appreciation of the Independent Directors and the Non-Executive Directors of your Company for their immense contribution by way of strategic guidance, sharing of knowledge, experience and wisdom, which help your Company take right decisions in achieving its business goals.

Your Board appreciates the relentless efforts of the employees and staff including the Management Team headed by the Managing Director, who always leads from the front in achieving a very commendable business performance year-on-year despite a challenging business environment.

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

**For and on behalf of the Board of Directors  
F MEC INRENATIONAL FINANCIAL SERVICES LIMITED**

Sd/-

Sd/-

**Place : New Delhi**

**Date : 19.07.2022**

**Apoorve Bansal  
Managing Director  
DIN : 08052540**

**Sachin Jain  
Director  
DIN : 02932194**

## ANNEXURE TO DIRECTORS REPORT

<b>ANNEXURE-I</b>	<b>Corporate Governance Report</b>
<b>ANNEXURE-II</b>	<b>Extract of Annual Report in MGT-9</b>
<b>ANNEXURE-III</b>	<b>Management Discussion and Analysis Report</b>
<b>ANNEXURE-IV</b>	<b>Loans, Guarantee &amp; Investments</b>
<b>ANNEXURE-V</b>	<b>Secretarial Audit Report (MR-3)</b>
<b>ANNEXURE-VI</b>	<b>Annual Evaluation of Board</b>





The Company places great emphasis on values such as **empowerment and integrity of its employees, safety of the employees & communities, transparency in decision making process, fair & ethical dealings with all and accountability to all the stakeholders**. The Corporate governance practices implemented by the Company seek to protect, recognize and facilitate shareholders rights and ensure timely and accurate disclosure to them.

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

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

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

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

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

The Company has put in place an internal governance structure with defined roles and responsibilities of every constituent of the system. The Board of Directors of the Company are duly appointed in compliance with the applicable provisions of the Companies Act, 2013 and applicable Regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, which in turn governs the Company. The Board has established Four Committees to discharge its responsibilities in an effective manner. The Managing Director (MD) provides overall direction and guidance to the Board. In the operations and functioning of the Company, the MD is assisted by three Independent Directors, and a core group of senior level executives. The MD is responsible for corporate strategy, brand equity, planning, external contacts and all management matters.

## CORNERSTONES OF F MEC INTERNATIONAL'S GOVERNANCE PHILOSOPHY



### BOARD OF DIRECTORS

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

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

### THE COMPOSITION OF THE BOARD OF DIRECTORS AS ON MARCH 31<sup>st</sup>, 2022 IS AS UNDER:-

S No.	Name of Director	Executive/ Non Executive	No. of other Directorship
1.	Mr. Apoorve Bansal	Executive Director	1
2.	Mr. Awanish Srivastava	Non-Executive & Independent Director	0
3.	Ms Renuka Chouhan	Non-Executive Woman Director	0
4.	Mr. Sachin Jain	Non-Executive & Independent Director	4

*Notes: None of the other directors are related to any other director on the Board.*

Mr. Apoorve Bansal is the Managing Director of the Company. Ms Mahima Jain acting as a Chief Financial Officer, serving the Company with her wide expertise in Accounts and Financial Management. Ms. Ritu Chauhan, the Company Secretary of the Company has also been acting as the Compliance officer of the Company.

### NUMBER OF BOARD MEETINGS

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

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

During the year ending 31<sup>st</sup> March, 2022 the Board of Directors of the Company **met four times on 26.06.2021, 12.08.2021, 11.11.2021, and 11.02.2022**. The maximum gap between any two meetings was less than one hundred and twenty days, as stipulated under Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard as issued by the Institute of Company Secretaries of India applicable to the Company.

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

The following is the attendance sheet of all Directors present in the meeting of the Board, its committees and Annual General Meeting held during the year ending on 31<sup>st</sup> March, 2022

Name of the Director	Category	Attendance Particulars			No. of other Directorship and Committee Membership		
		No. of Board meeting		Last AGM held on 25.09.2021	Other Directorship	Committee Membership	Committee Chairmanship
		Held	Attended				
Mr. Apoorve Bansal	MD/ Executive	4	4	Present	1	4	1
Mr. Awanish Sriavstava	Independent Director	4	4	Not Present	0	4	2
Ms. Renuka Chouhan	Non-Executive Director	0	0	Not Present	0	1	0
Mr. Sachin Jain	Independent Director	4	4	Present	4	4	1

## **LIMIT ON NUMBER OF DIRECTORSHIP**

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

## **SHAREHOLDING OF NON-EXECUTIVE DIRECTORS**

None of the Non - Executive Director holds any shares in the Company. Further, the Company has not issued any convertible instruments hence disclosure in this respect is not applicable.

## **INDEPENDENT DIRECTORS**

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

- a. are persons of integrity and possess relevant expertise and experience, in the opinion of the Board of Directors;
- b. are or were not promoters of the listed entity or its holding, subsidiary or associate company or member of the promoter group of the listed entity;
- c. are not related to promoters or directors in the listed entity, its holding, subsidiary or associate company;
- d. apart from receiving Director's remuneration, have or had no material pecuniary relationship with the Company, its holding, subsidiary or associate Company, or their Promoters or Directors, during the two immediately preceding financial years or during the current financial year;
- e. have no relative, who has or had pecuniary relationship or transaction with the Company, its holding, subsidiary or associate Company, or their Promoters, or Directors, amounting to two per cent or more of its gross turnover or total income or Fifty Lakh rupees or such higher amount as may be prescribed from time to time, whichever is lower, during the two immediately preceding financial years or during the current financial year;
- f. neither themselves nor any of their relatives —
  - i. hold or have held the position of a Key Managerial Personnel or are or have been employee of the Company or its holding, subsidiary or associate Company in any of the three financial years immediately preceding the Financial Year in which they were proposed to be appointed;

- ii. are or have been an employee or proprietor or a partner, in any of the three financial years immediately preceding the Financial Year in which they were proposed to be appointed, of—
- a firm of Auditors or Company Secretaries in practice or Cost Auditors of the Company or its holding, subsidiary or associate Company; or
  - any legal or a consulting firm that has or had any transaction with the Company, its holding, subsidiary or associate Company amounting to ten per cent or more of the gross turnover of such firm;
  - hold together with their relatives two percent or more of the total voting power of the Company; or
  - is a Chief Executive or Director, by whatever name called, of any Non-Profit Organization that receives twenty-five percent or more of its receipts or corpus from the Company, any of its Promoters, Directors or its holding, subsidiary or associate Company or that holds two percent or more of the total voting power of the Company;
  - is a material supplier, service provider or customer or a lessor or lessee of the Company;
  - is not less than 21 years of age.
  - Are not Non- Independent Director of any other Company on the Board of which any Non-Independent Director of the Company is an Independent Director

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

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

### **MAXIMUM TENURE OF INDEPENDENT DIRECTORS**

In accordance with Section 149(11) of the Companies Act, 2013, the current tenure of **Mr. Awanish Srivastava** and **Mr. Sachin Jain**, Independent Directors of the Company is for a term of 5 consecutive years from the date of appointment in the year **2018** and **2020** respectively.

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

The terms and conditions of appointment of Independent Directors have been disclosed on the website of the Company at <https://fmecinternational.com/investor.html>



## **PERFORMANCE EVALUATION OF INDEPENDENT DIRECTORS**

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

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

## **SEPARATE MEETING OF THE INDEPENDENT DIRECTORS**

All Independent Directors of the Company met separately on **11.02.2022** without the presence of Non- Independent Directors and Members of Management. In accordance with the Listing Regulations, following matters were, inter-alia, reviewed and discussed in the meeting:

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

## **FAMILIARISATION PROGRAMME**

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

Pursuant to Regulation 46 of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, the policy of familiarization programme is available on the website of the Company at the web-link: <https://fmecinternational.com/investor.html> Policies and Code of Conduct.

## REMUNERATION OF DIRECTORS

The remuneration paid to Executive Director of the Company has been approved by the Board of Directors on the recommendations of the Nomination and Remuneration Committee. Any remuneration to be paid in future shall be in accordance with the Remuneration Policy of the Company as embarked on the website of the Company duly approved by the Nomination and Remuneration Committee of the Company.

## CODE OF CONDUCT

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

## COMMITTEES OF THE BOARD

Following are the **Statutory Committees** of the Board:

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

Following are the Committee of the Board formed by the Company for the purpose of General working of the Company:

- D. Executive Committee of Board**

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

### A. AUDIT COMMITTEE

The Board of Directors of the Company has constituted an Audit Committee of the Board in terms of the requirements of Section 177 of the Companies Act, 2013 and Rules framed thereunder read with Regulation 18 of the Listing Regulations. The Audit Committee of the Company meet atleast four times in a year, at least once in every quarter and not more the one hundred twenty days shall elapse between two meetings, inter alia, to review the financial results for the previous quarter before the same are approved at Board Meetings, pursuant to Regulation 33 of the Listing Regulations. The Audit Committee may also meet from time to time, if required.

The Audit Committee has been vested with, inter alia, the following powers:

- i. to investigate any activity within its terms of reference;
- ii. to seek information from any employee;
- iii. to obtain outside legal or other professional advice;
- iv. to secure attendance of outsiders with relevant expertise, if it considers necessary.

### TERMS OF REFERENCE

The Audit Committee reviews the Reports of the Statutory Auditors periodically and discusses their findings. The role of the Audit Committee is as follows:

- a. Oversight of 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. Approval of payment to Statutory Auditors for any other services rendered by the statutory auditors.
- c. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
  - Matters required to be included in the Director's Responsibility Statement to be included in the Board's Report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013.
  - Changes, if any, in accounting policies and practices and reasons for the same.
  - Major accounting entries involving estimates based on the exercise of judgment by management.
  - Significant adjustments made in the financial statements arising out of audit findings.
  - Compliance with listing and other legal requirements relating to financial statements.
  - Disclosure of any related party transactions.
  - Qualifications in the draft audit report.

### COMPOSITION OF THE COMMITTEE, DETAILS OF MEETINGS AND ITS ATTENDANCE

The Audit Committee consists of Two Independent Directors and One Executive Director. Mr. Awanish Sriavstava, Independent Director is the Chairperson of the Committee.

The Audit Committee met four times during the financial year ended March 31, 2022 i.e., on **26.06.2021, 12.08.2021, 11.11.2021 and 11.02.2022**. The time gap between any two meetings was less than 120 days. Category of Directors as Audit Committee Members and their attendance at the aforesaid Audit Committee Meetings are detailed below:

Sl. No	Name	Category	Number of Meetings Held (During the tenure of director)	Number of Meetings Attended
1.	Mr. Awanish Sriavstava	Independent Director	4	4
2.	Mr. Apoorve Bansal	Executive Director	4	4
3.	Mr. Sachin Jain	Independent Director	4	4

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

## **B. NOMINATION AND REMUNERATION COMMITTEE**

The Board of Directors of the Company has constituted a Nomination and Remuneration Committee of the Board in terms of the requirements of Section 178 of the Companies Act, 2013 and rules framed thereunder read with Regulation 19 of the SEBI (LODR) Regulations, 2015. All the directors of the Committee shall be Non-executive Director and atleast Fifty percent must be independent Director, Chairperson must be an independent Director. The Policy provides for criteria and qualifications for appointment of Director, Key Managerial Personnel (KMPs) and Senior Management Personnel (SMPs), remuneration to them, Board diversity etc. The said policy is available on the Company's website.

## **TERMS OF REFERENCE**

The terms of reference of the Committee include the following:

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- Formulation of criteria for evaluation of Independent Directors and the Board;
- Devising a policy on Board diversity;
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.

## **COMPOSITION OF THE COMMITTEE, DETAILS OF MEETINGS AND ITS ATTENDANCE**

The composition of the Committee is in conformity with the SEBI (LODR) Regulations, 2015. The Nomination and Remuneration Committee consists of Two Independent Directors and One Non-Executive Director. Mr. Sachin Jain, Independent Director is the Chairperson of the Committee.

The Nomination and Remuneration Committee met one time during the financial year ended March 31, 2022, i.e., on **28.03.2022**. Category of Directors as Nomination and Remuneration Committee Members and their attendance at the aforesaid Meetings are detailed below:

Sl. No.	Name	Category	Number of Meetings Held (During the tenure of director)	Number of Meetings Attended
1.	Mr. Sachin Jain	Independent Director	1	1
2	Ms. Renuka Chouhan	Non-Executive Director	0	0
3.	Mr. Awanish Sriavstava	Independent Director	1	1

The Managing Director is the permanent invitee to the Nomination and Remuneration Committee Meetings. The Company Secretary acts as the Secretary to the Committee and she is in attendance at the Nomination and Remuneration Committee Meetings.

## REMUNERATION TO DIRECTORS

### I. Remuneration paid to Executive Directors and sitting fees to the Non-Executive Directors

Details of remuneration paid to Managing Director of the Company is mentioned in the below table, however the Company had not paid any sitting fees has been to the Non-Executive Directors, as the Company is on the stage of growth and ploughs back the profit of the Company in the growth of the Company. The Directors have voluntarily waived off the fees payable, if any in the best interest of the Company.

Sl. No.	Name	Designation	Salaries & Allowances (Rs. In lakhs)	Commission (Rs. In lakhs)	Total (Rs. In lakhs)
1.	Apporve Bansal	Managing Director	6,00,000	Nil	6,00,000

### II. Independent Director's Remuneration

Considering the scale of operations of the company, no remuneration was paid to Independent Directors during 2020-2021.

### III. Disclosure in terms of Section II Part B of Schedule V to the Companies Act, 2013

- i. All elements of remuneration package of all directors of the company:

Sl. No.	Name & Designation	Salaries (Rs. In lakhs)	Benefits (Rs. In lakhs)	Bonus	Stock Option	Pension
1.	Apoorve Bansal <i>Managing Director</i>	6,00,000	Nil	Nil	Nil	Nil
2.	Renuka Chouhan <i>Non-Executive Director</i>	Nil	Nil	Nil	Nil	Nil
3.	Awanish Srivastava <i>Independent Director</i>	Nil	Nil	Nil	Nil	Nil
4.	Sachin Jain <i>Independent Director</i>	Nil	Nil	Nil	Nil	Nil

**ii. Details of fixed component and performance linked incentives along with performance criteria:**

The fixed component of salary is the same as mentioned in above table. There is no performance linked incentive payable to any director.

**iii. Stock option details of every director:** No stock option was given to any director.

**iv. Shareholding of Directors in the Company as on March 31, 2022**

Sl. No.	Name of Director	No. of Shares	% of Total Shareholding
1.	Apoorve Bansal <i>Managing Director</i>	77,800	2.51
2.	Renuka Chouhan <i>Non-Executive Director</i>	0	0
3.	Awanish Srivastava <i>Independent Director</i>	100	0.003
4.	Sachin Jain <i>Independent Director</i>	0	0

### **C. STAKEHOLDER RELATIONSHIP COMMITTEE**

The Board of Directors of the Company has constituted a Stakeholders Grievance Committee of the Board in terms of the requirements of Section 178 of the Companies Act, 2013 and Rules framed thereunder read with Regulation 20 of the Listing Regulations. The Stakeholders Grievance Committee consists of one Executive Director and two Independent Directors. Mr. Awanish Srivastava, Independent Director, is the Chairperson of the Committee.

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

The Committee performs the following functions:

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

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

The Committee met Four times during the financial year ended March 31, 2022, i.e., on **26.06.2021**, **12.08.2021**, **11.11.2021**, and **11.02.2022**. Directors as Stakeholders Grievance Committee Members and their attendance at the aforesaid Meetings are detailed below:

Sl. No.	Name	Category	Number of Meetings Held (During the tenure of director)	Number of Meetings Attended
1.	Mr. Awanish Srivastava	Independent Director	4	4
2.	Mr. Apoorve Bansal	Executive Director	4	4
3.	Mr. Sachin Jain	Independent Director	4	4

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

As per the Year ending March 31<sup>st</sup>, 2022 there was no investor complaints received or pending on the Company and its RTA. The same has been provided in the certificate filed with the Stock Exchange at the end of each Quarter.



## D. EXECUTIVE COMMITTEE

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

As on March 31<sup>st</sup> 2022, the Executive Committee comprise of Members as stated below. During the Financial Year 2021-22, the Executive Committee met **one time on 28<sup>th</sup> March, 2022**

S No.	Name	Category	Number of Meetings Held (During the tenure of director)	Number of Meetings Attended
1.	Mr. Apoorve Bansal	Executive Director	1	1
2.	Mr. Awanish Srivastava	Independent Director	1	1
3.	Mr. Sachin Jain	Independent Director	1	1

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

## GENERAL BODY MEETINGS

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

Financial Year	Category	Venue of the Meeting	Date of the Meeting	Time of the Meeting
2020-2021	Annual General Meeting	II <sup>nd</sup> Floor, Central Bank Building, 13-B, Netaji Subhash Marg, Daryaganj, New Delhi-110002	25 <sup>th</sup> September 2021	1.30P.M.
2019-2020	Annual General Meeting	II <sup>nd</sup> Floor, Central Bank Building, 13-B, Netaji Subhash Marg, Daryaganj, New Delhi-110002	23 <sup>rd</sup> December 2020	3.30 P.M.
2018 -2019	Annual General Meeting	II <sup>nd</sup> Floor, Central Bank Building, 13-B, Netaji Subhash Marg, Daryaganj, New Delhi-110002	21 <sup>st</sup> September 2019	12.30 P.M.

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

**21.09.2019 (Annual General Meeting for the FY 2018-2019)**

1. To alter the Main Objects in the Memorandum of Association of the Company (MOA) of the Company.
2. To Change the Name of the Company and subsequent alteration in the Memorandum of Association (MOA) and Articles of Association of the Company (AOA) of the Company.

**23.12.2020 (Annual General Meeting for the FY 2019-2020)**

1. To appoint Mr. Sachin Jain (DIN:02932194) as an independent director of the company

**25.09.2021 (Annual General Meeting for the FY 2020-2021)**

No Special Resolution passed in the Annual General Meeting of the members dated 25<sup>th</sup> September, 2021.

**COMPLIANCE WITH MANDATORY REQUIREMENTS**

The Company has complied with all applicable mandatory requirements of the Listing Regulations as on 31.03.2022. As per the provisions of Regulation 15(2) of the SEBI (Listing Obligations & Disclosure Requirements) Regulation 2015, provision of Regulation 27 is applicable to the Companies having paid up equity share capital exceeding Rs. 10 Crore and Net Worth exceeding Rs. 25 Crore, as on the last day of the previous financial year. The Company is not covered under any of the Criterion mentioned above so it is not mandatory for the Company to comply the Provisions of the Regulation 27 of the SEBI (LODR) Regulations, 2015. The quarterly unaudited financial results and annual financial results are published in leading national newspapers, i.e., Financial Express (English) and Hari Bhoomi (Hindi). It is also displayed on company's website at <https://fmecinternational.com/investor.html> . Investor updates are given to NSE and BSE as and when required.

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

Accordingly, the Company is not required to submit Disclosures as required under Para 4.1 of the abovementioned SEBI Circular. A confirmation in this regard has already been filed by the Company with BSE on 26<sup>th</sup> June, 2021.

## CEO/CFO CERTIFICATION

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

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

## GENERAL SHAREHOLDER INFORMATION

### **Annual General Meeting**

**Date: 17th September, 2022**

**Time: 12:30 PM**

**Venue: IInd Floor, 13-B, Central Bank Building,  
Netaji Subhash Marg, Daryaganj,  
New Delhi-110002**

## FINANCIAL CALENDAR

Financial year: April 1 to March 31

For the Financial Year ended March 31, 2022 results were announced on:

First Quarter	: 12 <sup>th</sup> August, 2021
Half Yearly	: 11 <sup>th</sup> November, 2021
Third Quarter	: 11 <sup>th</sup> February, 2022
Fourth Quarter and Annual	: 26 <sup>th</sup> May, 2022

## BOOK CLOSURE

The dates of Book Closure are from the **10<sup>th</sup> September, 2022** to the **17<sup>th</sup> September, 2022** inclusive of both days for the purpose of Annual General Meeting of the Company.

## DIVIDEND PAYMENT

The Company has not paid or declared any dividend during the Financial Year ending March 31<sup>st</sup>, 2022. Hence, no amount by the Company was required to be transferred to the Investors Education and Protection Fund (IEPF).

## LISTING

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

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

ISIN: **INE108T01013**

Scrip Code: **539552**

BSE ID: **F MEC**

## REGISTRAR TO ISSUE AND SHARE TRANSFER AGENT

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

Details of RTA are as given below:

**Skyline Financial Services Private Limited**

**D-153A, 1<sup>st</sup> Floor, Okhla Industrial Area,**

**Phase- I, New Delhi- 110 020**

**Tel: 011- 40450193-97**

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

**Email: [info@skylinerta.com](mailto:info@skylinerta.com)**

## SHARE TRANSFER PROCESS

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

## DISTRIBUTION OF SHAREHOLDING

Details of distribution of shareholding of the equity shares of the Company by size and by ownership class on March 31, 2022 along with the top 10 shareholders of the Company is given below:

## SHAREHOLDING PATTERN BY SIZE AS ON MARCH 31, 2022

Share or Debenture holding Nominal Value (Rs. 10)	Number of Shareholders	% to Total Numbers	Share or Debenture holding Amount (Rs. 10)	% to Total Amount
Up To 5,000	181	41.04	645120.00	2.08
5001 To 10,000	201	45.58	1868750.00	6.03
10001 To 20,000	2	0.45	26000.00	0.08
20001 To 30,000	3	0.68	78000.00	0.25
30001 To 40,000	1	0.23	33000.00	0.11
40001 To 50,000	0	0	0	0
50001 To 1,00,000	3	0.68	163100.00	0.53
1,00,000 and Above	50	11.34	28193030.00	90.92
<b>Total</b>	<b>441</b>	<b>100</b>	<b>31007000</b>	<b>100</b>

## SHAREHOLDING PATTERN BY OWNERSHIP

Particulars	As on March 2022		
	No. of Share holders	No. of Shares held	% of Share holding
<b>Promoters Shareholding</b>			
Promoter & Promoter Group	9	1032325	33.29
<b>Total Promoter Shareholding (A)</b>	<b>9</b>	<b>1032325</b>	<b>33.29</b>
<b>Public Shareholding(B)</b>			
Individual Shareholders holding Nominal Share Capital Up to 2 Lacs	389	283897	9.16
Individual Shareholders holding Nominal Share Capital Above 2 Lacs	29	1093375	35.26
NBFCs Registered with RBI	1	41200	1.33
Bodies Corporate	9	578403	18.65
Resident Indian HUF	4	71500	2.31
<b>Total Public Shareholding (B)</b>	<b>432</b>	<b>2068375</b>	<b>66.71</b>
<b>Total (A) + (B)</b>	<b>441</b>	<b>3100700</b>	<b>100</b>

## TOP TEN SHAREHOLDERS AS ON MARCH 31<sup>ST</sup> 2022

Name of the Shareholders	No. of Shares held	% of Share holding
Anu Colonisers Limited	117200	3.78
Ranbeer Singh Rawat	115700	3.73
Shree Vishnupriya Finance & Leasing Limited	113251	3.65
Manoj Thakur	113183	3.65
Puroshttam Dass	106625	3.44
Shri Varda Pacific Securities Limited	106400	3.43
Sunvision Tradezone Private Limited	83767	2.70
Mangal Murthy Traders LLP	83100	2.68
Shorya Mercantile Private Limited	82385	2.66
Rohit Agrawal	61597	1.99
<b>Total</b>	<b>983208</b>	<b>31.71</b>

## DEMATERIALISATION OF SHARES AND LIQUIDITY

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

- As on March 31, 2022, 58.85% shares of the Company were held in dematerialized form.
- The equity shares of the Company are frequently traded at Bombay Stock Exchange Ltd.

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

## OUTSTANDING GDR/ADR

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

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

## PLANT LOCATION

The Company has no manufacturing unit so there is no plant set up for the business of the Company. The Company has indulges into financial activities via its registered office located at 908, 9th Floor Mercantile House, 15 K.G. Marg, Delhi-110001

## ADDRESS FOR CORRESPONDENCE

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

Details of RTA are as given below:

**Skyline Financial Services Private Limited**

**D-153A, 1<sup>st</sup> Floor, Okhla Industrial Area,**

**Phase- I, New Delhi- 110 020**

**Tel: 011- 40450193-97**

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

**Email: [info@skylinerta.com](mailto:info@skylinerta.com)**

**Company Secretary cum Compliance Officer:**

Ms. Ritu Chauhan

F Mec International Financial Services Limited

908, 9th Floor Mercantile House, 15 K.G. Marg, Delhi-110001

Tel: 011- 43680407

**Grievance Redressal Officer:**

Mr. Apoorve Bansal

Managing Director

F Mec International Financial Services Limited

908, 9th Floor Mercantile House, 15 K.G. Marg, Delhi-110001

Tel: 011- 43680407

## OTHER DISCLOSURES

1. There was no materially significant related party transaction taken place during the previous financial year that may have potential conflict with the interests of listed entity's at large.
2. The Company has not only made policy on Vigil mechanism and/or Whistle blower Policy but also following it very strictly. And every person of the Company has access to the members of Audit Committee in case of any suspicious event.
3. During the Financial Year 2021-2022, the following Major Event embarked the Company:
  - ❖ The Company shifted its registered office from 2<sup>nd</sup> Floor, 13-B, Central Bank Building, Netaji Subhash Marg, Daryaganj, New Delhi-110002 to 908, 9th Floor Mercantile House, 15 K.G. Marg, Delhi-110001 with effect from 15<sup>th</sup> February, 2022



## CERTIFICATION BY PRACTICING COMPANY SECRETARY

### **F MEC INTERNATIONAL FINANCIAL SERVICES LIMITED FOR THE YEAR ENDING 31ST MARCH 2022**

***[Pursuant to Regulation 34(3) and Schedule V Para C Clause 10 (i) of the SEBI  
(Listing Obligations and Disclosure Requirements) Regulations, 2015]***

We have examined the relevant registers, records and disclosures received from the Management of F MEC INTERNATIONAL FINANCIAL SERVICES LIMITED (hereinafter referred to as 'the Company'), bearing **CIN : L65100DL1993PLC053936** and having Registered Office at 908, 9th Floor Mercantile House, 15 K.G. Marg, Delhi-110001 produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub- clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and according to the verifications (including Directors Identification Number (DIN) status at the portal (www.mca.gov.in)) as considered necessary and information/Declaration furnished to us by the Company & its Officers, We hereby certify that none of the Directors on the Board of the Company for the Financial Year ending on 31st March, 2022 have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India (SEBI)/ Ministry of Corporate Affairs and any such Statutory Authority.

**For A. K. VERMA & CO  
(Practicing Company Secretaries)  
FRN: P1997DE091500**

**Sd/-**

**ASHOK KUMAR VERMA  
Senior Partner  
FCS: 3945  
CP No: 2568  
PR No: 2099/2022  
UDIN: F003945D000805119**

**Date: 17.08.2022  
Place: New Delhi**

## MANAGING DIRECTOR AND CFO CERTIFICATION

19<sup>th</sup> July, 2022

To  
The Board of Directors  
**F MEC INTERNATIONAL FINANCIAL SERVICES LIMITED**  
**908, 9th Floor Mercantile House, 15 K.G. Marg,**  
**Delhi-110001**

I, **Apoorve Bansal, Managing Director** of the Company along with **Ms, Mahima Jain Chief Financial Officer** of the Company, do hereby solemnly affirm and certify to the Board that:

- a. We have reviewed Financial Statements and the Cash Flow Statement of the Company for the year ended 31<sup>st</sup> March 2022 and we certify the following, to the best of our knowledge and belief:
  - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. That to the best of our knowledge and belief, no transactions have been entered into by the Company during the year which are fraudulent, illegal or in violation of the Company's Code of Conduct.
- c. We accept the responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to Financial Reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d. We have indicated to the Auditors and the Audit committee:
  - i. significant changes in internal control over financial reporting during the year;
  - ii. significant changes in accounting policies during the year, if there is any, and that the same have been disclosed in the notes to the financial statements; and
  - iii. Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

**Sd/-**  
**Apoorve Bansal**  
**(Managing Director)**  
**DIN: 08052540**

**Sd/-**  
**Mahima Jain**  
**(Chief Financial Officer)**  
**PAN: APJPJ2796N**

## CERTIFICATION BY MANAGING DIRECTOR

Date: 19<sup>th</sup> July, 2022

To  
The Board of Directors  
**F MEC INTERNATIONAL FINANCIAL SERVICES LIMITED**  
908, 9th Floor Mercantile House, 15 K.G. Marg,  
Delhi-110001

### Sub: Declaration of Compliance of Code of Conduct

I, Apoorve Bansal (DIN: 08052540), Managing Director of the Company declare that all the members of the Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct for the year ended 31st March, 2022.

For **F MEC INTERNATIONAL FINANCIAL SERVICES LIMITED**

Sd/-

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

# EXTRACT OF ANNUAL RETURN IN MGT-9

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

## I. REGISTRATION & OTHER DETAILS:

i	<b>CIN</b>	L65100DL1993PLC053936
ii	<b>Registration Date</b>	07/06/1993
iii	<b>Name of the Company</b>	F MEC INTERNATIONAL FINANCIAL SERVICES LIMITED
iv	<b>Category/Sub-category of the Company</b>	Company Limited By Shares
v	<b>Address of the Registered office &amp; contact details</b>	908, 9th Floor, Mercantile House, 15 K.G. Marg, New Delhi-110001
vi	<b>Whether listed company</b>	Yes
vii	<b>Name , Address &amp; contact details of the Registrar &amp; Transfer Agent, if any.</b>	Skyline Financial Services Private Limited Shop No.D-153/A, I-Area, Okhla Phase I, Okhla Industrial Area, New Delhi, Delhi 110020

## II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

## III. PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES

Sl No	Name & Address of the Company	CIN/GLN	HOLDING/ SUBSIDIARY/ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
1			N.A.		

#### IV. SHAREHOLDING PATTERN (EQUITY SHARE CAPITAL BREAK UP AS % TO TOTAL EQUITY)

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
(1) Indian									
a) Individual/HUF	1032350.00	0	1032350	33.29	1032350.00	0	1032350	33.29	0
b) Central Govt. or State Govt.	0	0	0	0	0	0	0	0	0
c) Bodies Corporates	0	0	0	0	0	0	0	0	0
d) Bank/FI	0	0	0	0	0	0	0	0	0
e) Any other	0	0	0	0	0	0	0	0	0
<b>SUB TOTAL:(A) (1)</b>	<b>1032350.00</b>	<b>0</b>	<b>1032350</b>	<b>33.29</b>	<b>1032350.00</b>	<b>0</b>	<b>1032350</b>	<b>33.29</b>	<b>0</b>
<b>(2) Foreign</b>									
a) NRI- Individuals	0	0	0	0	0	0	0	0	0
b) Other Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Banks/FI	0	0	0	0	0	0	0	0	0
e) Any other...	0	0	0	0	0	0	0	0	0
<b>SUB TOTAL (A) (2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Shareholding of Promoter (A)= (A)(1)+(A)(2)</b>	<b>1032350.00</b>	<b>0</b>	<b>1032350</b>	<b>33.29</b>	<b>1032350.00</b>	<b>0</b>	<b>1032350</b>	<b>33.29</b>	<b>0</b>
<b>B. PUBLIC SHAREHOLDING</b>									
<b>(1) Institutions</b>									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks/FI	0	0	0	0	0	0	0	0	0
c) Central Govt.	0	0	0	0	0	0	0	0	0
d) State Govt.	0	0	0	0	0	0	0	0	0
e) Venture Capital Fund	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIIS	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
<b>SUB TOTAL (B)(1):</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>(2) Non Institutions</b>									
a) Bodies corporates									
i) Indian	544903	33500	578403	18.65	550080	33500	583580	18.82	-0.17
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									

i) Individual shareholders holding nominal share capital upto Rs.1 lakhs	5772	278125	283897	9.16	621	278125	278746	8.99	0.17
ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 lakhs	241575	851800	1093375	35.26	157724	935700	1093424	35.26	0
c) NBFCs Registered with RBI	0	41200	41200	1.33	0	41200	41200	1.33	0
c) Others (specify Resident Indian HUF)	100	71400	71500	2.31	0	71400	71400	2.31	0
<b>SUB TOTAL (B)(2):</b>	<b>792350</b>	<b>1276025</b>	<b>2068375</b>	<b>66.71</b>	<b>708425</b>	<b>1359925</b>	<b>2068350</b>	<b>66.71</b>	<b>0</b>
<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	<b>792350</b>	<b>1276025</b>	<b>2068375</b>	<b>66.71</b>	<b>708425</b>	<b>1359925</b>	<b>2068350</b>	<b>66.71</b>	<b>0</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>GRAND TOTAL (A+B+C)</b>	<b>1824675</b>	<b>1276025</b>	<b>3100700</b>	<b>100</b>	<b>1740775</b>	<b>1359925</b>	<b>3100700</b>	<b>100</b>	<b>0</b>

## V. SHARE HOLDING OF PROMOTERS

Sl No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of shares	% of total shares of the company	% of shares pledged encumbered to total shares	No. of shares	% of total shares of the company	% of shares pledged encumbered to total shares	
1	MANOJ KUMAR JAIN	326050	10.52	NA	326050	10.52	NA	0
2	PANKAJ KUMAR	235625	7.60	NA	235625	7.60	NA	0
3	MAHIMA JAIN	81350	2.62	NA	81375	2.62	NA	0
4	APOORVE BANSAL	77800	2.51	NA	77800	2.51	NA	0
5	NIRAJ JAIN	76100	2.45	NA	76100	2.45	NA	0
6	MEGHA BANSAL	75100	2.42	NA	75100	2.42	NA	0
7	PANKAJ BANSAL HUF	59000	1.90	NA	59000	1.90	NA	0
8	LALITA BANSAL	51300	1.65	NA	51300	1.65	NA	0
9	M K JAIN (HUF)	50000	1.61	NA	50000	1.61	NA	0

## VI. CHANGE IN PROMOTERS' SHAREHOLDING (SPECIFY IF THERE IS NO CHANGE)

Sl. No.		Shareholding at the beginning of the Year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No of shares	% of total shares of the company
1	At the beginning of the year				
	Date wise increase/decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)				
	At the end of the year				
* NO CHANGE IN PROMOTERS SHAREHOLDING					

## VII. SHAREHOLDING PATTERN OF TOP TEN SHAREHOLDERS (OTHER THAN DIRECTORS, PROMOTERS & HOLDERS OF GDRS & ADRS)

S.No	Name of the Shareholder	At the beginning of the year (i.e. 01.04.2021)		At the end of the year (i.e. 31.03.2022)		Cumulative Shareholding during the year		Month wise Increase /Decrease in Shareholding during the year	Reasons (for increase/decrease (e.g. allotment / transfer / bonus / sweat equity etc)
		No. of Shares	%of Total Shares of the company	No. of Shares	% of Total Shares of the company	No. of shares	% of total Shares of the Company		
1	Anu Colonisers Limited	117200	3.78	117200	3.78	117200	3.78	Nil	Nil
2	Ranbeer Singh Rawat	115700	3.73	115700	3.73	115700	3.73	Nil	Nil
3	Shree Vishnupriya Finance & Leasing Limited	113300	3.65	113251	3.65	113251	3.65	Decrease (0.0016)	Sell
4	Manoj Thakur	113200	3.65	113183	3.65	113183	3.65	Decrease (0.0005)	Sell
5	Puroshottam Dass	106625	3.44	106625	3.44	106625	3.44	Nil	Nil
6	Shri Varda Pacific Securities Limited	106400	3.43	106400	3.43	106400	3.43	Nil	Nil
7	Sunvision Tradezone Private Limited	83835	2.70	83767	2.70	83767	2.70	Decrease (0.0021)	Sell
8	Mangal Murthy Traders LLP	83100	2.68	83100	2.68	83100	2.68	Nil	Nil
9	Shorya Mercantile Private Limited	82385	2.66	82385	2.66	82385	2.66	Nil	Nil
10	Rohit Agrawal	61600	1.99	61597	1.99	61597	1.99	Decrease (0.0001)	Sell



## VIII. SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

S.No.	Name of the Directors/KMP (Designation)	At the beginning of the year (i.e. 01.04.2021)		At the end of the year (i.e. 31.03.2022)		Cumulative Shareholding during the year		Increase /Decrease in Shareholding during the year
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company	
1	Apoorve Bansal (Managing Director)	77800	2.51	77800	2.51	77800	2.51	NIL
2	Renuka Chouhan (Non-executive Woman Director)	NIL	NIL	NIL	NIL	NIL	NIL	NIL
4	Awanish Srivastava (Independent Director)	100	0.003	100	0.003	100	0.003	NIL
6	Sachin Jain (Independent Director)	NIL	NIL	NIL	NIL	NIL	NIL	NIL
7	Renu Singhal (Company Secretary)	NIL	NIL	NIL	NIL	NIL	NIL	NIL
8	Mahima Jain (Chief Financial Officer)	81350	2.62	81350	2.62	81350	2.62	NIL

## IX. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment				
	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtness at the beginning of the financial year</b>				
i) Principal Amount	0	63,64,000	0	63,64,000
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
<b>Total (i+ii+iii)</b>	<b>0</b>	<b>63,64,000</b>	<b>0</b>	<b>63,64,000</b>
<b>Change in Indebtedness during the financial year</b>				
Additions	0	21,74,000	0	21,74,000
Reduction	0	0	0	0
<b>Net Change</b>	<b>0</b>	<b>21,74,000</b>	<b>0</b>	<b>21,74,000</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	0	85,38,000	0	85,38,000
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
<b>Total (i+ii+iii)</b>	<b>0</b>	<b>85,38,000</b>	<b>0</b>	<b>85,38,000</b>

## X. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

S.No	Particulars of Remuneration	APPROVE BANSAL (Rs.)	Total Amount (Rs.)
1	<b>Gross salary</b>		
	(a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961.	6,00,000	6,00,000
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	0	0
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	0	0
2	<b>Stock option</b>	0	0
3	<b>Sweat Equity</b>	0	0
4	<b>Commission</b>	0	0
	as % of profit	0	0
	others (specify)	0	0
5	<b>Others, please specify</b>	0	0
	<b>TOTAL (A)</b>	<b>6,00,000</b>	<b>6,00,000</b>
	<b>Ceiling as per the Act</b>		N.A

### B. Remuneration to other directors:

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

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

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1	<b>Gross Salary</b>				
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	0	180,000	513,000	693,000
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	0	0	0	0
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	0	0	0	0
2	Stock Option	0	0	0	0
3	Sweat Equity	0	0	0	0
4	Commission	0	0	0	0
	as % of profit	0	0	0	0
	others, specify	0	0	0	0
5	Others, please specify	0	0	0	0
	<b>TOTAL</b>	<b>0</b>	<b>180,000</b>	<b>513,000</b>	<b>693,000</b>

## XI. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

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

N.A.

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

*F mec International Financial Services Limited* (or the Company) is a Non-deposit-taking Non-Banking Financial Company (NBFC-ND) registered with the Reserve Bank of India (RBI). and is engaged in the business of lending. The Company has a diversified lending portfolio across retail, SMEs and commercial customers with significant presence in urban and rural India.

Earlier the Company had a subsidiary under the name and style YDS Securities Private Limited which is now ceases to be subsidiary by reason that Company disinvested Equity Shares by way of selling in open market and hence investment in Equity Shares falls below 20% of the total paid up capital of the Company.

## **1. The COVID-19 pandemic**

Financial year 2021-22 (FY2022) was once again dominated by Covid as new waves of infection swept across countries.

In India, the second wave (‘Delta’) proved far more deadly than the first. The second wave of COVID-19 in India, which began in March 2021, had severe consequences in the form of spiraling cases, reduced supplies of essential treatments, and increased deaths particularly in the young population.

After a shaky start in some places, the roll-out of vaccines in India began in dead earnest. The eventual success of nation-wide vaccination across this far flung sub-continent played a large role in curbing hospitalization. The advent of the highly transmissible variant ‘Omicron’ arrived in early January 2022. In this third wave, India’s daily number of reported cases peaked to nearly 350,000 in January 2022 and the active case load was over 22 million. Fortunately, while highly transmissible, Omicron was nowhere as clinically deadly as Delta. So, while many got infected, almost all got well again within a week or so, without hospitalizations and morbidity.

## **2. Global Economy**

The first half of Financial Year 2021-2022 depicted a hesitant and asymmetrical global economic recovery, which was impacted by the continuing and pervasive effect of COVID-19, especially with the advent of new variants causing increased fatalities.

Before the impact of COVID-19 pandemic could ease, the global economy faces another set of threats – with Russia invading Ukraine in February 2022, oil and other commodity prices have surged significantly, thereby worsening the already high inflation dynamics across the globe. The escalation in the geo-political tension has also led to increased financial volatility. Rising supply chain disruptions, shortages for semiconductors and containers, rise in shipping costs and the continued energy crisis complicated by the ongoing geopolitical conflict are creating short-term challenges for business.

**International Monetary Fund** ('IMF') projected moderation in the world's growth at 3.6% in 2022 from 6.1% in 2021. It is further expected to slow down to 3.6% in 2023, which is conditionally estimated on factors such as improved global health outcomes, and higher vaccination rates. The uncertainty about the trajectory of the pandemic and geopolitical tensions remain major challenges for near future.

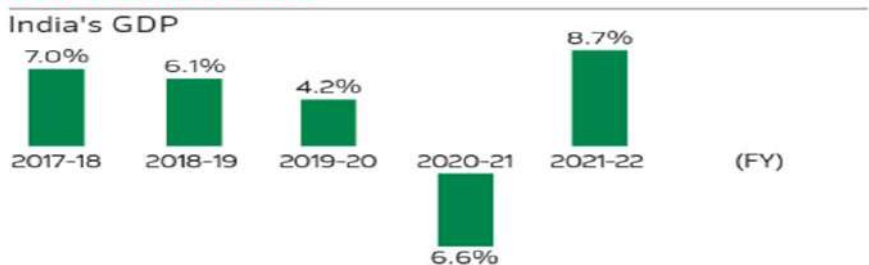
### 3. Indian Economy

India's economic growth bounced back after the COVID induced shock in 2020, reflecting a strong recovery - led by favorable monetary and fiscal policy, mass vaccinations and significant progress on structural reforms. The strong recovery is commendable considering the fact that first the Delta-driven and then the Omicron induced waves of the pandemic unsettled the recovery in domestic economic activity. Nevertheless, the fact is that we as a nation have effectively lost two years of GDP growth.

The Government of India announced a growth oriented and expansionary budget for the financial year 2022-23 (FY2023) with a big bet on investment push to lift economic growth. The compound annual growth rate for capital expenditure of FY2023 over FY2020 is projected at 28% while revenue expenditure is contained at 12%. The budget's expectation was that such capex-led growth would take India on a growth path even at the cost of higher fiscal deficit.

According to the provisional estimates released by the National Statistical Office (NSO) on May 31, 2022, India's real Gross Domestic Product (GDP) growth in FY 2021-22 was 8.7% which is 1.5% above the pre pandemic level (FY 2019-20). The recovery has been uneven with the informal sector still reeling under pressure, with a large extent of the labour migration yet to reverse fully.

#### GDP trends in India



Source: Ministry of Statistics and Programme Implementation (MOSPI) report of May 31, 2022.

Unfortunately, the conflict in Ukraine and the sanctions unleashed by the western countries on Russia have led to chaos in global commodity markets. While the crude prices have settled at below US\$ 100 after reaching a high of US\$ 139, India will have to deal with a larger oil import bill. This has already impacted the exchange rate, with the Indian ₹ crossing ₹ 77 to the US dollar on 7 March 2022 before settling at below ₹ 76 at the end of March 2022.

The Consumer Price Index (CPI) inflation in India stood at 6.95% in March 2022 and have since then moved upwards to touch an 8-year high of 7.79% recorded for April 2022. The rising inflation and uncertainty around its outlook is a reflection of persisting geopolitical tensions and sanctions resulting in elevated prices of crude oil and other commodities along with continuing Covid related supply chain bottlenecks and disruptions in the labour market.

## **Outlook**

A gradual subsidence of the impact of the pandemic will aid the growth of contact-intensive industries and support robust urban demand. A good rabi harvest bodes well for the farm sector and rural demand. Resilient exports, improving capacity utilisation, higher capital expenditure to boost public infrastructure and increase in private investments will drive overall GDP growth.

Monetary actions taken by the Reserve Bank of India would help contain inflation, the effect of which is expected to be seen in the second half. The Reserve Bank of India expects CPI inflation to be at 6.7% in FY2023. Risks to the outlook include global financial market volatility, elevated commodity prices and continuing global demand-supply disruptions.

## **4. Industry Overview**

Bank credit growth increased steadily in FY 2021-22 as a result of increased retail demand, economic recovery, and co-ordinated efforts by the RBI and the Government. The resolution frameworks announced by the RBI in the wake of COVID-19 enabled a flexible system to help COVID stressed borrowers and provided for rescheduling of payments, conversion of any interest accrued into another credit facility and granting of moratorium for up to two years. The Resolution Framework 2.0 announced by the RBI post second wave primarily targeted individuals, small businesses and MSMEs as the impact was much limited.

The regulatory interventions, ample banking system liquidity, and the government's fiscal spending and higher level of social and consumer activities following the relaxation of the lockdown boosted credit demand conditions in the economy, leading to higher credit off take in various sectors. The credit off take momentum has been mostly positive in the second half of the year, and it increased by 9.6% in FY 2021-22 as compared to 5.6% in the previous year.

The diverse Indian financial services sector represents the progress and opportunity of its economy. The sector continues to be impacted by rising incomes, increased government support through policies, and rapid digital adoptions throughout the value chain.

### **Growth drivers**

- **Financial inclusion**

India's current financial inclusion index stands at 53.9. Government efforts through the Pradhan Mantri Jan Dhan Yojana (PMJDY) and the RBI's continuous efforts to bring banking to a large mass of people continues to intensify financial inclusion in India. As many as 1.5 lakh post offices are set to connect with the core banking system in 2022 to increase the interoperability of the accounts via various accessible means.

- **Technology/digitalisation**

The Government has been driving as well as supporting the digital revolution in banking, fintech and payment systems to increase efficiency and streamline processes, creating an indirect credit demand from banks and NBFCs. Scheduled commercial banks are planning to set up digital banking units in 75 districts across India.

- **Financialisation of savings**

The number of folios under equity, hybrid and solution-oriented schemes, wherein the maximum investment is from retail segment, stood at about 10.34 crore as of March 2022. Increasing awareness about mutual funds, ease of transactions through digitisation and sharp surge in equity markets have aided asset management companies to add a staggering 3.17 crore investor accounts in FY 2022.

- **Growing penetration of financial products**

The increasing penetration of insurance and mutual funds among the Indian population is good for the financial sector. Advancement in technology that has made these products more accessible and enhanced customer convenience is a driving factor in enlarging the market size.

- **Policy support**

The approval of Factoring Regulation (Amendment) Bill has enabled approximately 9,000 NBFCs to participate in factoring market and with an oversight of central bank on the US\$6 billion factoring sector.

### **Non-banking financial companies**

NBFCs have gained systemic importance in the Indian financial services industry with a growing share in credit. NBFCs' credit intensity measured by the credit/GDP ratio reached a high of 13.7% in 2021.

NBFCs operate in a wide variety of asset classes ranging from granular retail loans (e.g., personal loans, vehicle loans, small business loans, gold loans, microfinance loans, etc.) to large-ticket wholesale loans (e.g., lending to corporates, infrastructure, real estate and structured credit).

NBFCs have carved a niche for themselves in the Indian financial sector through their differentiated business models and credit appraisal methods, targeting the relatively un-banked borrower segments with niche domain expertise. They provide last mile credit delivery and have been significantly using technology to achieve better operational efficiency and risk management.

### **Performance in FY 2022**

Heavily impacted by the first wave of the pandemic in 2020, the NBFC sector faced headwinds again when the second wave struck the country in March 2021. Disbursements were severely impacted with the first two months being impacted by lockdowns. Monthly collection efficiency significantly deteriorated significantly. This led to a sharp increase in asset restructuring in the first half of the year. With the passing of the second wave, collection efficiency improved progressively during the year and reached pre-COVID levels, reflecting a return to normalcy. Collections saw a modest decline by about 3% following the third wave of infections in January 2022, but recovery was prompt given the lower severity of the COVID variant and limited restrictions on movement during this period.

### **Key regulatory developments in FY 2022**

NBFCs are regulated by the RBI and the level of regulation and supervision for NBFCs is relatively moderate when compared to banks. However, over the last few years following the 2018 crisis, the regulatory requirements for NBFCs have been strengthened to bring parity with banks. During FY 2022, the following important regulations were introduced by the RBI to govern NBFCs:



**Prudential norms for Income Recognition, Asset Classification and Provisioning (IRACP) pertaining to advances:** During the year, the RBI tightened NPA upgradation norms, which may lead to a rise in NPAs of NBFCs as the provision is to be implemented effective October 2022. As per the new norms, an NBFC may upgrade an NPA to a 'standard' asset only if entire arrears of interest and principal are paid by the borrower. Additionally, there is change in the recognition of NPAs to a daily due-date basis versus month-end basis, followed earlier by many NBFCs. These revised norms will bring parity in income recognition and asset classification practices at banks and NBFCs.

## **Outlook**

The NBFC sector is expected to deliver double-digit loan growth in FY 2023, on top of 6-8% growth projected for FY 2022. This will be driven by improvement in economic activity and strengthened balance sheets of NBFCs.

## **5. Business review**

**F MEC INTERNATIONAL FINANCIAL SERVICES LIMITED**, a Non-Deposit taking Non Systemically Important NBFC. is a professionally managed Company. It focuses on four broad categories: (i) consumer lending, (ii) SME lending, (iii) commercial lending, (iv) rural lending,

The Company significantly recovered from the loss caused due to the pandemic in the earlier year. The financial performance of your Company during the financial year ended March 31, 2022, remained healthy with the Total Net Revenue (Net Interest Income Plus Other Income) rising by 3.99% to ₹53.98 lakhs from ₹51.91 lakhs in the previous financial year. Other Income grew by 296% to ₹1.31 lakhs from 0.33 lakhs in the previous financial year. Major increase is due to interest received on Flexi Fixed Deposits

The profit after tax ('PAT') for FY 2021-22 stood at ₹10.21 lakhs, an increase of 105.43% over the previous financial year.

However, reflecting on steady growth in the balance sheet, Total Liabilities (including capital and reserves) increased by 7.10% from ₹4.12 crore as on March 31, 2021 to ₹4.42 crore as on March 31, 2022 whereas Total Advances (Net) stood at ₹3.63 crore, a growth of 28.65% over FY 2020-21

The Earning Per Share (EPS) of the Company for the FY 2021-2022 also witnessed an increase of 105.49% to ₹ 0.3292 per share as compared to ₹ 0.1602 per share in FY 2021-2021.

## **SCOT Analysis**

### **Strengths**

- Diversified asset mix and well-diversified funding profile
- Vast knowledge of the needs of the customer segment we work with
- Diversified product range and robust collection systems
- Simplified and prompt loan request appraisal and disbursements
- Strong financial position; comfortable capitalisation and liquidity profile
- Strong management team

## **Challenges**

- Rising competition from banks
- Increasing cost of funding
- Retention of talent

## **Opportunities**

- Recovery in economic activity
- New pivots of growth: Digital Finco, Leasing, SME
- Digitalisation and data driven decision making

## **Threats**

- Future waves of the pandemic may negatively impact asset quality
- Uncertain global political environment
- Tightening regulation of NBFCs
- Impact on demand in the backdrop of sustained inflation

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

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

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

Sl.No.	Particulars	31/03/2022	31/03/2021
1.	<b>Loans And Advances</b>		
	Advance for Shares	1,126,000	1,500,000,
	ACE Integrated Solutions Limited	190,000	204,000
	Alok Kumar Goel	2,712,000	1,647,000
	Arun Bhatt	-	302,000
	Bharat Singh	275,000	1,300,000
	Degourdi Engineering and Infra Solutions Private Limited	347,000	2,176,000
	Espan Infrastructure (I) Ltd	863,000	806,000
	Ganesh Kirana & Co	-	660,000
	Impex (India) Limited	-	770,000
	Invision Entertainment Pvt Ltd	648,000	648,000
	Jellybean Studios	1,085,000	1,000,000
	Kanishk Intetrade	1,390,000	2,210,000
	Lovleen	-	50,000
	Mukesh Sharma	1,671,000	1,951,000
	Oracle Sales	7,074,000	-
	Paras Green	-	312,000
	Priyanka Singhaniya	-	200,000
	Rakesh Pandey	-	502,000
	R.S. Traders	-	89,000
	Shivam Online Education and Calibre Testing Lab Pvt Ltd	587,000	547,000
	Shivani Realbuild Pvt Ltd	4,990,000	4,646,000
	Shriram Stores	1,165,000	-
	Sunrise Structures and Developers Private Limited	2,524,000	-
	Suresh Pal Singh	3,500,000	3,500,000
	Suvi Global Engineering LLP	1,277,000	1,187,000
	Tata Capital Financial Services Limited	163,000	163,000
	Vardhaman Solvents And Chemicals Private Limited	1,960,000	1,813,000
	Focus Multi-speciality Centre LLP	81,000	-
	Digital Lending	1,050,000	-
	<b>TOTAL</b>	<b>36,255,000</b>	<b>28,182,000</b>

2.	<b>Non-Current Investments</b>		
	<b>Unquoted</b>		
	YDS Securities Pvt. Ltd. 210000 Equity Shares @ Rs. 10 each	2,100,000	2,100,000
	<b>Advance against property</b>		
	Triveni Buildzone Private Limited	-	1,000,000
	<b>TOTAL</b>	<b>2,100,000</b>	<b>3,100,000</b>

## **Form No. MR-3**

### **SECRETARIAL AUDIT REPORT**

For the Period 01st April, 2021 to 31st March, 2022

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

To  
The Members  
**F MEC INTERNATIONAL FINANCIAL SERVICES LIMITED**  
908, 9th Floor,  
Mercantile House, 15 K.G. Marg,  
New Delhi- 110001

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

Based on our verification of the **Company**’s books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, We hereby report that in our opinion, company has, during the audit period covering the Financial Year ended on **31<sup>st</sup> March, 2022** complied with the statutory provisions listed hereunder and that the company has proper Board processes and compliance- mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

- I.** The Company is a “Loan Company” engaged in the business of Non -Banking Financial Institution as defined in Section 45 I (a) of the Reserve Bank of India Act, 1934 and carrying a Certificate of Registration issued by Reserve Bank of India, New Delhi bearing certificate number - **B-14.01129**.
- II.** We have examined the papers, minute books, forms and returns filed and other records maintained by **F MEC INTERNATIONAL FINANCIAL SERVICES LIMITED** (“**the Company**”) for the financial year ended on **31<sup>st</sup> March, 2022** according to the provisions of:
  - (i) The Companies Act, 2013 (the Act) and the rules made there under as duly amended till date;
  - (ii) Secretarial Standards issued by Institute of Company Secretaries of India.
  - (iii) The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made thereunder;  
**(Not applicable for the given audit period)**
  - (iv) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

- (v) Master Direction – Non- Banking Financial Company Returns (Reserve Bank) Directions duly amended.
- (vi) Prudential Norms Issued by the Reserve Banks for NBFC Companies.
- (vii) **The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') viz.:-**
- a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 as amended from time to time;
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time;
  - c) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**applicable w.e.f. 1st December, 2015**) as amended from time to time
  - d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 ; (**Not applicable to the Company during the audit period**)
  - e) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the Securities and Exchange Board of India (Share Based Employee Benefits) Regulation 2021 (**Not applicable to the Company during the audit period**);
  - f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 as amended from time to time. (**Not applicable to the Company during the audit period**);
  - g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 (**Not applicable to the Company during the audit period**); and
  - i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (**Not applicable to the Company during the audit period**);

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

1. The RBI Act 1934 and amendment came into force from time to time;
2. Prudential Norms Issued by the Reserve Banks for NBFC- ND Companies.
3. Indian Contract Act, 1872
4. Negotiable Instruments Act, 1881
5. Indian Stamp Act, 1899
6. Information Technology Act, 2000

**We report that:**

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

**We further report that**

The Composition of Board of Directors of the Company is duly constituted with proper balance of Executive, Non-Executive, Woman Director, and Independent Directors as per the provisions of Companies Act, 2013 and SEBI Regulations. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act and SEBI Regulations.

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

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

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

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

We further report that the Company was not required to submit Annual Secretarial Compliance Report to the Stock Exchange as mandated under **Regulation 24 A of SEBI (Listing Obligations and Disclosure Requirement) (Amendment) Regulations, 2018** as the Company falls under the criteria specified under Regulation 15 (2) of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 due to the fact that the paid-up Equity Share Capital and Net Worth of the Company was below Rs. 10 Crores and Rs. 25 Crores, respectively as on the close of the previous Financial Year i.e. 31<sup>st</sup> March, 2021. The said exemption available to the Companies falling under this criteria was clarified by Bombay Stock Exchange (BSE) vide its **Circular Nos. LIST/COMP/10/2019-20 and LIST/COMP/12/2019-20 dated 9<sup>th</sup> May, 2019 and 14<sup>th</sup> May, 2019**, respectively.

We further report that during the period under review, no specific event occurred as informed by the management of the company that had a major impact on the Company's affairs:



**We further report that**

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

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

**For A. K. VERMA & CO  
(Practicing Company Secretaries)  
FRN: P1997DE091500**

**Sd/-**

**ASHOK KUMAR VERMA  
Senior Partner  
FCS: 3945  
CP No: 2568  
PR No: 2099/2022  
UDIN: F003945D000662988**

**Date: 19.07.2022  
Place: New Delhi**

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

To  
The Members  
**F MEC INTERNATIONAL FINANCIAL SERVICES LIMITED**  
908, 9th Floor,  
Mercantile House, 15 K.G. Marg,  
New Delhi- 110001

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

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

**For A. K. VERMA & CO**  
**(Practicing Company Secretaries)**  
**FRN: P1997DE091500**

**Sd/-**

**ASHOK KUMAR VERMA**  
**Senior Partner**  
**FCS: 3945**  
**CP No: 2568**  
**PR No: 2099/2022**  
**UDIN: F003945D000662988**

**Date: 19.07.2022**  
**Place: New Delhi**

## **ANNUAL BOARD EVALUATION**

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

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

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

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

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

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

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

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

# **FINANCIAL STATEMENTS**

**INDEPENDENT AUDITOR'S REPORT**

**TO THE MEMBERS OF  
F MEC INTERNATIONAL FINANCIAL SERVICES LIMITED**

**Report on the Audit of the financial statements**

**Opinion**

We have audited the accompanying financial statements of **F MEC INTERNATIONAL FINANCIAL SERVICES LIMITED** (the "Company"), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date and a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022 and its profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

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

**Key Audit Matters**

We have determined that there are no key audit matters to communicate in our report.

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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report



including Annexures to Board's Report, Corporate Governance Report and Shareholder's Information, but does not include the financial statements and our auditor's report thereon.

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

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

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

### **Management's Responsibilities for the Financial Statements**

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

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

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

### **Auditor's Responsibilities for the Audit of the financial statements**

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





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

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

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

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

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





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

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

1. As required by Section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
  - e) On the basis of the written representations received from the directors as on March 31, 2022 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of section 164 (2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
  - g) With respect to the other matter to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid/ provided by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us :
  - i. The Company does not have any pending litigations which would impact its financial position.



- ii. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which required to be transferred to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2020 (the "Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent as applicable.

**For SANJAY K SINGHAL & CO**

**Chartered Accountants**

**FRN024807N**



**(Sanjay Kumar Singhal)**

**Partner**

**M. No. 503475**

**UDIN: 22503475AJQLB93973**

**Place: Delhi**

**Date: 26/05/2022**



## **Annexure "A" TO THE INDEPENDENT AUDITOR'S REPORT**

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

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

We have audited the internal financial controls over financial reporting of **F MEC INTERNATIONAL FINANCIAL SERVICES LIMITED** (the "Company") as of March 31, 2022 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

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

The Management of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (the "ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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 Act.

### **Auditor's Responsibility**

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

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

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





### **Meaning of Internal Financial Controls with reference to Financial Statements**

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

### **Inherent Limitations of Internal Financial Controls with reference to Financial Statements**

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

### **Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

**For SANJAY K SINGHAL & CO**

**Chartered Accountants**

**FRN 024807N**


**(Sanjay Kumar Singhal)**

**Partner**

**M. No. 503475**

**UDIN: 22503475AJQLBP3973**

**Place: Delhi**

**Date: 26/05/2022**

## Annexure 'B' TO THE INDEPENDENT AUDITOR'S REPORT

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

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

- i. In respect of the Company's Property, Plant and Equipment and Intangible Assets:
  - a. A. The company is maintaining proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.  
  
B. The company is maintaining proper records showing full particulars of intangible assets.
  - b. The Property, Plant and Equipment have been physically verified by the management at reasonable intervals and no material discrepancies were noticed on such verification;
  - c. The company does not own any immovable property as on the Balance Sheet date.
  - d. The Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) and intangible assets during the year.
  - e. No proceedings have been initiated during the year or are pending against the Company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- ii.
  - a. The Company does not have any inventory as on the Balance Sheet date. Accordingly, reporting under clause 3 (ii) (a) of the Order is not applicable to the Company.
  - b. The Company has not been sanctioned working capital limits in excess of ₹ 5 crore, in aggregate, at any points of time during the year, from banks or financial institutions on the basis of security of current assets and hence reporting under clause 3(ii) (b) of the Order is not applicable.
- iii. The Company has made investments in companies and granted unsecured loans to other parties, during the year, in respect of which:
  - a. The Company is a Non- Banking Financial Company, whose principal business is to give loans, and hence reporting under clause 3(iii) (a) of the Order is not applicable.
  - b. In our opinion, the investments made and the terms and conditions of the grant of loans, during the year are, prima facie, not prejudicial to the Company's interest.





c. In respect of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments of principal amounts and receipts of interest are generally been regular as per stipulation.

d. In respect of loans granted by the Company, there is no overdue amount remaining outstanding as at the balance sheet date.

e. The Company is a Non- Banking Financial Company, whose principal business is to give loans, and hence reporting under clause 3(iii) (e) of the Order is not applicable.

f. The Company has granted loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year aggregating to Rs. 352.06 Lacs, which is 97.10% to total loans granted.

The Company has not provided any guarantee or security or granted any advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties.

iv. The Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans granted, investments made and guarantees and securities provided, as applicable.

v. The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable.

vi. The maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 for the business activities carried out by the Company. Hence, reporting under clause (vi) of the Order is not applicable to the Company.

vii. In respect of statutory dues:

a. The company is regular in depositing undisputed statutory dues including Goods and Services Tax, income-tax, cess and any other statutory dues to the appropriate authorities as applicable.

b. There were no undisputed amounts payable in respect of statutory dues referred to in sub-clause (a).

viii. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).



- ix. a. The company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- b. The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- c. The Company has not taken any term loan during the year and there are no outstanding term loans at the beginning of the year and hence, reporting under clause 3(ix) (c) of the Order is not applicable.
- d. On an overall examination of the financial statements of the Company, it has not raised any funds on short-term basis and hence, reporting under clause 3(ix) (d) of the Order is not applicable.
- e. The Company does not have any subsidiaries, associates or joint ventures and hence, reporting under clause 3(ix) (e) of the Order is not applicable.
- f. The Company does not have any subsidiaries, associates or joint ventures and hence, reporting under clause 3(ix) (f) of the Order is not applicable.
- x. a. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x) (a) of the Order is not applicable.
- b. During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x) (b) of the Order is not applicable.
- xi. a. No fraud by the Company and no fraud on the Company has been noticed or reported during the year.
- b. No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- c. No whistle blower complaints received by the Company during the year and hence reporting under clause 3(xi) (c) of the Order is not applicable.
- xii. The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.





- xiii. In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. a. In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- b. We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- xv. In our opinion during the year the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi. a. The company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and the registration has been obtained by the Company, which is 14.01129.
- b. The company has not conducted any Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.
- c. The company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India and hence reporting under clause (xvi) (c) and (d) of the Order is not applicable.
- xvii. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors of the Company during the year.
- xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.



- xx. The provisions of section 135 of the Companies Act does not applicable to the company and hence reporting under clause (xx) (a) and (b) of the Order is not applicable.
- xxi. The Company does not have any subsidiaries, associates or joint ventures, therefore not prepared consolidated financial statements and hence reporting under clause (xxi) of the Order is not applicable.

**For SANJAY K SINGHAL & CO**

**Chartered Accountants**

**FRN024807N**



**(Sanjay Kumar Singhal)**

**Partner**

**M. No. 503475**

**UDIN: 22505475AJQLBP3973**

**Place: Delhi**

**Date: 26/05/2022**

F MEC INTERNATIONAL FINANCIAL SERVICES LIMITED  
BALANCE SHEET AS AT MARCH 31ST, 2022

FMEC

Particulars	Note No.	(All amounts in Indian Rupees '000, unless stated otherwise)	
		As at 31st March, 2022	As at 31st March, 2021
		IND AS	IND AS
<b>Assets</b>			
<b>(1) Financial Assets</b>			
(a) Financial Assets			
-Cash in Hand	3	938	587
-Bank Balance	4	2,393	7,881
(b) Bank Balance other than (a) above		-	-
(c) Receivables			
(i) Trade Receivables	5	1,080	-
(ii) Other Receivables		-	-
(d) Loans	6	36,255	28,182
(e) Investments	7	2,100	3,100
(f) Other Financial assets	8	805	957
<b>Total</b>		<b>43,571</b>	<b>40,707</b>
<b>(2) Non-Financial Assets</b>			
(a) Inventories		-	-
(b) Deferred tax Assets (Net)	9	12	3
(c) Property, Plant and Equipment	10	248	32
(d) Capital work-in-progress		-	-
(e) Intangible assets under development		-	-
(f) Goodwill		-	-
(g) Other Intangible assets	11	320	480
(h) Other non-financial assets		-	-
<b>Total</b>		<b>580</b>	<b>515</b>
<b>Total Assets</b>		<b>44,151</b>	<b>41,222</b>
<b>Liabilities and Equity</b>			
<b>Liabilities</b>			
<b>(1) Financial Liabilities</b>			
(a) Borrowings	12	8,538	6,364
(a) Payables			
(I) Trade Payables			
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	13	545	959
(II) Other Payables			
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	14	364	352
(b) Other financial liabilities			
<b>Total</b>		<b>9,447</b>	<b>7,675</b>
<b>(2) Non-Financial Liabilities</b>			
(a) Current tax liabilities (Net)	15	357	195
(b) Provisions		-	-
(c) Deferred tax liabilities (Net)	16	54	79
(d) Other non-financial liabilities			
<b>Total</b>		<b>411</b>	<b>274</b>
<b>(3) Equity</b>			
(a) Equity Share Capital	17	31,007	31,007
(b) Other Equity	18	3,286	2,266
<b>Total</b>		<b>34,293</b>	<b>33,273</b>
<b>Total Liabilities and Equity</b>		<b>44,151</b>	<b>41,222</b>

1&2

Significant Accounting Policies & Notes to Accounts

Accompanying notes from 1 to 35 are integral part of the financial statements

As per our report of even date attached

For SANJAY K SINGHAL & Co  
(Chartered Accountants)  
Firm Regn. No. 0248078

(Sanjay Kumar Singhal)

Partner

M. No: 503475

UDIN: 22503475AJQLBP3973

Place: Delhi

Date: 26/05/2022



For and on behalf of the Board  
F Mec International Financial Services Limited

For F Mec International Financial Services Limited

(APOORVE BANSAL)

Managing Director

DIN-08052540

Mahima Jain

(MAHIMA JAIN)

Chief Financial Officer

PAN:APJPJ2796N

(AWANISH SRIVASTAVA)

Director

DIN-07810744

Auth. Signatory/Director

(RENU SINGHAL)

Company Secretary

& Compliance Officer

Membership No:A63833



**F MEC INTERNATIONAL FINANCIAL SERVICES LIMITED**  
**STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED MARCH 31ST, 2022**

Particulars	Note No.	(All amounts in Indian Rupees '000, unless stated otherwise)	
		Year ended 31st March 2022	Year ended 31st March 2021
Revenue from operations	19	5,267	5,158
Other Income	20	131	33
<b>Total Revenue</b>		<b>5,398</b>	<b>5,191</b>
<b>Expenses</b>			
Employee Benefit Expense	21	1,371	1,147
Finance costs	22	2	1
Depreciation and amortization expense	10,11	216	182
Other Expenses	23	2,440	3,157
<b>Total Expenses</b>		<b>4,029</b>	<b>4,487</b>
<b>Profit / (loss) before exceptional items and tax</b>		<b>1,369</b>	<b>705</b>
Exceptional items		-	-
<b>Profit/(loss) before tax</b>		<b>1,369</b>	<b>705</b>
<b>Tax expense</b>			
(1) Current tax		357	195
(2) Deferred tax		(9)	13
<b>Total Tax Expense</b>		<b>348</b>	<b>208</b>
<b>Profit/ (Loss) for the period</b>		<b>1,021</b>	<b>497</b>
<b>Other Comprehensive Income</b>			
(A) (i) Items that will not be reclassified to profit or loss (specify items and amounts)		-	-
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
<b>Subtotal (A)</b>		-	-
(B) (i) Items that will be reclassified to profit or loss (specify items and amounts)		-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
<b>Subtotal (B)</b>		-	-
<b>Other Comprehensive Income (A + B)</b>		-	-
<b>Total Comprehensive Income for the period (Comprising Profit (Loss) and other Comprehensive Income for the period)</b>		<b>1,021</b>	<b>497</b>
<b>Transfer to reserve for Bad and Doubtful debts</b>		20	(39)
<b>Transfer to Special Reserve (as per Sec 45- IC of the RBI Act, 1934)</b>		204	99
<b>Transfer to Reserve &amp; Surplus</b>		796	437
<b>Earnings per equity share</b>			
(1) Basic (Rs.)		0.3292	0.1602
(2) Diluted (Rs.)		0.3292	0.1602

Significant Accounting Policies & Notes to Accounts 1&2

Accompanying notes from 1 to 35 are integral part of the financial statements

In terms of our attached report of even date

For SANJAY K SINGHAL & Co

(Chartered Accountants)

Firm Regn. No. 024887N

(Sanjay Kumar Singhal)

Partner

M. No: 503475

UDIN: 22503475AJ&LBP3973

Place: Delhi

Date: 26/05/2022

For and on behalf of the Board

F Mec International Financial Services Limited

For F Mec International Financial Services Limited

Apoorve Bansal

(APOORVE BANSAL)

Managing Director

DIN-08052540

(AWANISH SRIVASTAVA)

Auth. Signatory/Director

DIN-07810744

Mahima Jain

(MAHIMA JAIN)

Chief Financial Officer

PAN:APJPJ2796N

Renu Singhal

(RENU SINGHAL)

Company Secretary

& Compliance Officer

Membership No:A63833

**F MEC INTERNATIONAL FINANCIAL SERVICES LIMITED**

**Statement of Changes in Equity for the year ended 31st March, 2022**

(All amounts in Indian Rupees '000, unless stated otherwise)

**A. Equity Share Capital**

	Amount (Rs '000)
As at 1st April, 2020	31,007
Changes in equity share capital during the year	-
Changes in Equity Share Capital due to prior period errors	-
<b>As at 31st March, 2021</b>	<b>31,007</b>
Changes in equity share capital during the year	-
Changes in Equity Share Capital due to prior period errors	-
<b>As at 31st March, 2022</b>	<b>31,007</b>

**B. Other Equity**

Particulars	Reserves and Surplus			Amount (Rs '000)
	Special Reserve (1) as per Sec 45-IC RBI ACT, 1934	Reserve for Bad and Doubtful debts	Retained Earnings	Total
<b>As at 1st April, 2020</b>	342	110	1,307	1,759
Profits for the year	99	(39)	437	497
Excess Provision for Income	-	-	10	10
Tax written back	-	-	-	-
Other comprehensive income for the year	-	-	-	-
Changes in accounting policy or prior period errors	-	-	-	-
<b>Total comprehensive income for the year</b>	<b>99</b>	<b>(39)</b>	<b>447</b>	<b>507</b>
<b>As at 31st March, 2021</b>	<b>441</b>	<b>71</b>	<b>1,754</b>	<b>2,266</b>
Profits for the year	204	20	796	1,020
Excess Provision for Income	-	-	-	-
Tax written back	-	-	-	-
Other comprehensive income for the year	-	-	-	-
Changes in accounting policy or prior period errors	-	-	-	-
<b>Total comprehensive income for the year</b>	<b>204</b>	<b>20</b>	<b>796</b>	<b>1,020</b>
<b>As at 31st March, 2022</b>	<b>645</b>	<b>91</b>	<b>2,550</b>	<b>3,286</b>

Significant Accounting Policies & Notes to Accounts 1&2

Accompanying notes from 1 to 35 are integral part of the financial statements

As per our report of even date attached

**For SANJAY K SINGHAL & Co**  
(Chartered Accountants)

Firm Regn. No. 024807N

  
(Sanjay Kumar Singhal)  
Partner

M. No: 503475

UDIN: 22503475AJALBP3973

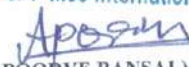
Place: Delhi

Date: 26/05/2022

For and on behalf of the Board

F Mec International Financial Services Limited

For F Mec International Financial Services Limited

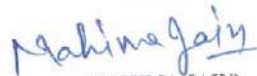
  
(APOORVE BANSAL)

Managing Director

DIN-08052540

(AWANISH SRIVASTAVA)

Auth. Signatory/Director  
DIN-07810744

  
(MAHIMA JAIN)

Chief Financial Officer

PAN:APJPJ2796N

  
(RENU SINGHAL)

Company Secretary  
& Compliance Officer  
Membership No:A63833

**F MEC INTERNATIONAL FINANCIAL SERVICES LIMITED**

Statement of Cash Flows for the year ended 31st March 2022

(All amounts in Indian Rupees '000, unless stated otherwise)

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
<b>A Cash Flow from Operating Activities</b>		
Net Profit before tax (as per Statement of Profit and Loss)	1,369	705
Adjustments to reconcile net profit to net cash provided by operating activities		
Depreciation and Amortisation Expense	216	182
Interest Income	(2,748)	(3,889)
Interest Paid	304	389
Excess Provision for Income Tax written back	-	10
Property, Plant and Equipment & CWIP written off	-	1
Changes in assets and liabilities		
Increase/(Decrease) in Trade Payables	(414)	674
Increase/(Decrease) in Other financial liabilities	12	156
Increase/(Decrease) in Current tax liabilities	161	(91)
Increase/(Decrease) in Other non-financial liabilities	(25)	(459)
(Increase)/Decrease in Inventories	-	-
(Increase)/Decrease in Trade Receivables	(1,080)	-
(Increase)/Decrease in Loans	(8,073)	15,761
(Increase)/Decrease in Other Financial Assets	152	(100)
Direct Taxes Paid	(357)	(195)
<b>Net Cash Flow from Operating Activities (A)</b>	<b>(10,483)</b>	<b>13,142</b>
<b>B Cash Flow from Investing Activities</b>		
Purchases of Property, Plant and Equipment	(272)	-
Proceeds from Sale of Property, Plant and Equipment & CWIP	-	-
Investment in Subsidiary	-	-
Proceeds from Sale of Investment	1,000	-
Payment for Purchase of Investment	-	(1,000)
Loans Given to Subsidiary Company	-	-
Proceeds from Sale of Shares in Subsidiary Company	-	-
Interest Income	2,748	3,889
<b>Net Cash Flow from Investing Activities (B)</b>	<b>3,476</b>	<b>2,889</b>
<b>C Cash Flow from Financing Activities</b>		
Proceeds from Long Term Borrowings	-	-
Repayments of Long Term Borrowings	-	-
Net Proceed from Short Term Borrowing	-	-
Repayments of Short Term Borrowings	2,174	(8,340)
Interest Paid	(304)	(389)
<b>Net Cash Flow from Financing Activities (C)</b>	<b>1,870</b>	<b>(8,728)</b>
<b>Net Increase in Cash and Cash Equivalents (A+B+C)</b>	<b>(5,137)</b>	<b>7,303</b>
Cash and Cash Equivalent at the beginning of the year	8,468	1,165
Cash and Cash Equivalent at the end of the year	3,331	8,468
<b>Net Increase in Cash and Cash Equivalents</b>	<b>(5,137)</b>	<b>7,303</b>

Note: The statement of cash flows has been prepared by following indirect method as per Indian Accounting Standard (Ind AS)-7 "Statement of Cash Flows". There were no material differences between the Statement of Cash Flows presented under Ind AS and the Previous GAAP.

Accompanying notes from 1 to 35 are integral part of the financial statements

As per our report of even date attached

For **SANJAY K SINGHAL & Co**

(Chartered Accountants)

Firm Regn. No. 024807N

  
(Sanjay Kumar Singhal)

Partner

M. No: 503475

UDIN: 22503475 AJDLBP3973

Place: Delhi

Date: 26/05/2022

For and on behalf of the Board

**F Mec International Financial Services Limited**

**For F Mec International Financial Services Limited**

  
(APOORVE BANSAL)

Managing Director  
DIN-08052540



(MAHIMA JAIN)  
Chief Financial Officer  
PAN:APJPJ2796N

(AWANISH SRIVASTAVA)

Auth. Signatory/Director  
DIN-07810744



(RENU SINGHAL)  
Company Secretary  
& Compliance Officer  
Membership No:A63833



# F MEC INTERNATIONAL FINANCIAL SERVICES LIMITED

## Significant Accounting Policies and Notes to Accounts for the year ended 31st March 2022

### 1 Corporate Information

F MEC International Financial Services Limited ("FMEC" or "Company") is a public limited company domiciled in India and incorporated under provision of Companies Act, 1956 as on 7th June 1993 and the Company's shares are listed on Bombay Stock Exchange Limited (BSE) w.e.f 15.01.2016. The registered office of the company is at 908, 9th Floor Mercantile House, 15 K.G. Marg, Delhi-110001. The Company got its registration as NBFC from Reserve Bank of India on 11.09.1998 vide Registration No. 14.01129. The Company have more than 24 years of working experience as a Non Banking Financial Company (non accepting deposit from the public). The main object of the company is to carry on the non banking financial and other allied activities.

### 2 Significant Accounting Policies

#### 2.1 Basis of Preparation

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 along with other relevant provisions of the Act and the Master Direction – Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 ('the NBFC Master Directions') issued by RBI.

#### Historical Cost Convention

The financial statements have been prepared on a historical cost basis, except for the following:

- 1) certain financial assets and liabilities that are measured at fair value;
- 2) defined benefit plans - plan assets measured at fair value.

#### Current and non-current classification

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

#### 2.2 Use of estimates and judgements

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

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

#### 2.3 Revenue Recognition

##### (a) Interest Income

The Company recognises interest income using Effective Interest Rate (EIR) on all financial assets subsequently measured at amortised cost or fair value through other comprehensive income (FVOCI). EIR is calculated by considering all costs and incomes attributable to acquisition of a financial asset or assumption of a financial liability and it represents a rate that exactly discounts estimated future cash payments/receipts through the expected life of the financial asset/financial liability to the gross carrying amount of a financial asset or to the amortised cost of a financial liability.

The Company recognises interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets. In case of credit-impaired financial assets [as set out in note no. 2.17(a)] regarded as 'stage 3', the Company recognises interest income on the amortised cost net of impairment loss of the financial asset at EIR. If the financial asset is no longer credit-impaired [as outlined in note no. 2.17(a)], the Company reverts to calculating interest income on a gross basis.



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Delayed payment interest (penal interest) levied on customers for delay in repayments/non payment of contractual cashflows is recognised on realisation.

Interest on financial assets subsequently measured at fair value through profit or loss (FVTPL) is recognised at the contractual rate of interest.

**(b) Other revenue from operations**

The Company recognises revenue from contracts with customers (other than financial assets to which Ind AS 109 'Financial Instruments' is applicable) based on a comprehensive assessment model as set out in Ind AS 115 'Revenue from contracts with customers'. The Company identifies contract(s) with a customer and its performance obligations under the contract, determines the transaction price and its allocation to the performance obligations in the contract and recognises revenue only on satisfactory completion of performance obligations. Revenue is measured at fair value of the consideration received or receivable.

**Fees and commission**

The Company recognises service and administration charges towards rendering of additional services to its loan customers on satisfactory completion of service delivery.

Fees on value added services and products are recognised on rendering of services and products to the customer.

Distribution income is earned by selling of services and products of other entities under distribution arrangements. The income so earned is recognised on successful sales on behalf of other entities subject to there being no significant uncertainty of its recovery. Foreclosure charges are collected from loan customers for early payment/closure of loan and are recognised on realisation.

**Net gain on fair value changes**

Financial assets are subsequently measured at fair value through profit or loss (FVTPL) or fair value through other comprehensive income (FVOCI), as applicable. The Company recognises gains/losses on fair value change of financial assets measured as FVTPL and realised gains/losses on derecognition of financial asset measured at FVTPL and FVOCI.

**Sale of services**

The Company, on de-recognition of financial assets where a right to service the derecognised financial assets for a fee is retained, recognises the fair value of future service fee income over service obligations cost on net basis as service fee income in the statement of profit or loss and, correspondingly creates a service asset in Balance Sheet. Any subsequent increase in the fair value of service assets is recognised as service income and any decrease is recognised as an expense in the period in which it occurs. The embedded interest component in the service asset is recognised as interest income in line with Ind AS 109 'Financial Instruments'.

Other revenues on sale of services are recognised as per Ind AS 115 'Revenue From Contracts with Customers' as articulated above in 'other revenue from operations'.

**Recoveries of financial assets written off**

The Company recognises income on recoveries of financial assets written off on realisation or when the right to receive the same without any uncertainties of recovery is established.

**2.4 Property, Plant and Equipment**

Property, plant and equipment is stated at acquisition cost net of accumulated depreciation and accumulated impairment losses, if any. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Statement of Profit and Loss during the period in which they are incurred.



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Gains or losses arising on retirement or disposal of property, plant and equipment are recognised in the Statement of Profit and Loss.

Property, plant and equipment which are not ready for intended use as on the date of Balance Sheet are disclosed as "Capital work-in-progress".

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

- Depreciation on leasehold improvements is charged over the period of lease.
- Depreciation on assets costing ₹ 5,000 or less is provided @100% over a period of one year.

Freehold land is not depreciated.

The residual values, useful lives and method of depreciation of property, plant and equipment is reviewed at each financial year end and adjusted prospectively, if appropriate.

## 2.5 Intangible Assets

Separately purchased intangible assets are initially measured at cost. Intangible assets acquired in a business combination are recognised at fair value at the acquisition date. Subsequently, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any. Finite-life intangible assets are amortised on a straight-line basis over the period of their expected useful lives. Estimated useful life by major class of finite-life intangible asset is as follows:

Computer software - 5 years

## 2.6 Borrowing Costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of Assets. Qualifying Asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are treated as period cost and charged to the statement of profit and loss in the year in which it was incurred.

## 2.7 Impairment of non-financial assets

The Company assesses at each reporting date as to whether there is any indication that any property, plant and equipment and intangible assets or group of assets, called cash generating units (CGU) may be impaired. If any such indication exists the recoverable amount of an asset or CGU is estimated to determine the extent of impairment, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the CGU to which the asset belongs.

An impairment loss is recognised in the Statement of Profit and Loss to the extent, asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less cost of disposal and value in use. Value in use is based on the estimated future cash flows, discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specific to the assets.

## 2.8 Investments in subsidiaries

Investment in subsidiaries is recognised at cost and are not adjusted to fair value at the end of each reporting period. Cost of investment represents amount paid for acquisition of the said investment.

The Company assesses at the end of each reporting period, if there are any indications that the said investment may be impaired. If so, the Company estimates the recoverable value/amount of the investment and provides for impairment, if any i.e. the deficit in the recoverable value over cost.

## 2.9 Foreign Exchange Transaction

Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of the transactions.



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Monetary items denominated in foreign currencies at the year end are restated at year end rates. In case of items which are covered by forward exchange contracts, the difference between the year end rate and rate on the date of the contract is recognized as exchange difference and the premium paid on forward contracts is recognized over the life of the contract. Any profit or loss arising on cancellation or renewal of forward exchange contracts are recognized as Non-monetary items are carried at cost.

Any income or expense on account of exchange difference either on settlement or on translation is recognized and is reflected separately in the Statement of Profit & Loss.

In respect of foreign branch, the company has adopted integral foreign operation approach as per Ind AS 21 and accordingly revenue items have been converted at date of transaction date. Monetary Assets and Liabilities are converted at the year-end exchange rate. Exchange gain or loss arising out of above is charged to Statement of Profit & Loss.

## 2.10 Tax expenses

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

### Current Tax:

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

### Minimum Alternate Tax (MAT) Credit:

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

### Deferred Tax:

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

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

## 2.11 Employee benefits

### Short Term Employee Benefits:

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

### Defined Benefit Plan

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



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

#### **Defined Contribution Plan**

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

### **2.12 Segment reporting**

#### **Identification of segments**

As defined in Ind AS 108, the Chief Operating Decision Maker (CODM) evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by business segments and geographic segments. The accounting principles used in the preparation of financial statements are consistently applied to record revenue and expenditure in individual segment and are as set out in the significant accounting policies.

#### **Allocation of common costs**

Common allocable costs are allocated to each segment on reasonable basis.

#### **Unallocated items**

Include general corporate income and expense items which are not allocable to any business segment.

#### **Segment policies**

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

### **2.13 Cash Flow Statement**

Cash flows are reported using the indirect method in accordance with Ind AS 7, whereby a profit before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, financing and investing activities of the Company are segregated.

### **2.14 Earning Per Share**

Earning Per Share (EPS) is calculated by dividing the Net Profit or Loss for the period attributable to equity shareholders by the Weighted Average Number of equity shares outstanding during the period.

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

### **2.15 Miscellaneous Expenditure**

Share issue expenses are adjusted from Securities Premium Account at the time of issue of respective Shares.

### **2.16 Provisions and Contingent Liabilities**

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.



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Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

## 2.17 Financial Instruments

### a). Financial Assets

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

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

#### Other equity investments

All other equity investments are measured at fair value, with value changes recognised in Statement of Profit and Loss, except for those equity investments for which the Company has elected to present the value changes in 'Other Comprehensive Income'.

#### Impairment of financial assets

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

Financial assets where no significant increase in credit risk has been observed are considered to be in 'stage 1' and for which a 12 month ECL is recognised. Financial assets that are considered to have significant increase in credit risk are considered to be in 'stage 2' and those which are in default or for which there is an objective evidence of impairment are considered to be in 'stage 3'. Lifetime ECL is recognised for stage 2 and stage 3 financial assets.

At initial recognition, allowance (or provision in the case of loan commitments) is required for ECL towards default events that are possible in the next 12 months, or less, where the remaining life is less than 12 months.

In the event of a significant increase in credit risk, allowance (or provision) is required for ECL towards all possible default events over the expected life of the financial instrument ('lifetime ECL').

Financial assets (and the related impairment loss allowances) are written off in full, when there is no realistic prospect of recovery.

**Treatment of the different stages of financial assets and the methodology of determination of ECL.**

#### (i) Credit impaired (stage 3)

The Company recognises a financial asset to be credit impaired and in stage 3 by considering relevant objective evidence, primarily whether:

- Contractual payments of either principal or interest are past due for more than 90 days;
- The loan is otherwise considered to be in default.

Restructured loans, where repayment terms are renegotiated as compared to the original contracted terms due to significant credit distress of the borrower, are classified as credit impaired. Such loans continue to be in stage 3 until they exhibit regular payment of renegotiated principal and interest over a minimum observation period, typically 12 months- post renegotiation, and there are no other indicators of impairment. Having satisfied the conditions of timely payment over the observation period these loans could be transferred to stage 1 or 2 and a fresh assessment of the risk of default be done for such loans.

Interest income is recognised by applying the EIR to the net amortised cost amount i.e. gross carrying amount less ECL allowance.



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**(ii) 'Significant increase in credit risk (stage 2)**

An assessment of whether credit risk has increased significantly since initial recognition is performed at each reporting period by considering the change in the risk of default of the loan exposure. However, unless identified at an earlier stage, 30 days past due is considered as an indication of financial assets to have suffered a significant increase in credit risk. Based on other indications such as borrower's frequently delaying payments beyond due dates though not 30 days past due are included in stage 2 for mortgage loans.

The measurement of risk of defaults under stage 2 is computed on homogenous portfolios, generally by nature of loans, tenors, underlying collateral, geographies and borrower profiles. The default risk is assessed using PD (probability of default) derived from past behavioural trends of default across the identified homogenous portfolios. These past trends factor in the past customer behavioural trends, credit transition probabilities and macroeconomic conditions. The assessed PDs are then aligned considering future economic conditions that are determined to have a bearing on ECL.

**(iii) 'Without significant increase in credit risk since initial recognition (stage 1)**

ECL resulting from default events that are possible in the next 12 months are recognised for financial instruments in stage 1. The Company has ascertained default possibilities on past behavioural trends witnessed for each homogenous portfolio using application/behavioural score cards and other performance indicators, determined statistically.

**(iv) 'Measurement of ECL**

The assessment of credit risk and estimation of ECL are unbiased and probability weighted. It incorporates all information that is relevant including information about past events, current conditions and reasonable forecasts of future events and economic conditions at the reporting date. In addition, the estimation of ECL takes into account the time value of money. Forward looking economic scenarios determined with reference to external forecasts of economic parameters that have demonstrated a linkage to the performance of our portfolios over a period of time have been applied to determine impact of macro economic factors.

The Company has calculated ECL using three main components: a probability of default (PD), a loss given default (LGD) and the exposure at default (EAD). ECL is calculated by multiplying the PD, LGD and EAD and adjusted for time value of money using a rate which is a reasonable approximation of EIR.

- Determination of PD is covered above for each stages of ECL.

- EAD represents the expected balance at default, taking into account the repayment of principal and interest from the Balance Sheet date to the date of default together with any expected drawdowns of committed facilities.

- LGD represents expected losses on the EAD given the event of default, taking into account, among other attributes, the mitigating effect of collateral value at the time it is expected to be realised and the time value of money.

**b). Financial Liabilities**

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

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

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

**2.18 Derivative financial instruments**

Derivative financial instruments such as forward contracts, option contracts and cross currency swaps, to hedge its foreign currency risks are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value with changes in fair value recognised in the Statement of Profit and Loss in the period when they arise.



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**F MEC INTERNATIONAL FINANCIAL SERVICES LIMITED**

Notes forming part of the Financial Statements

(All amounts in Indian Rupees '000, unless stated otherwise)

Note No.	Particulars	31-Mar-22	31-Mar-21
<b>3</b>	<b>Cash and Cash Equivalants</b>		
	Cash in Hand	938	587
	<b>Total</b>	<b>938</b>	<b>587</b>
<b>4</b>	<b>Balance with Banks:</b>		
	Current Account with Union Bank of India	34	34
	Flexi Fixed Deposit	1,209	292
	Current Account with ICICI Bank	1	1
	Current Account with Yes Bank	1,148	7,554
	<b>Total</b>	<b>2,393</b>	<b>7,881</b>
<b>5</b>	<b>Trade Receivables</b>		
	(a)Receivables considered good - Secured	-	-
	(b)Receivables considered good - Unsecured (refer note no. 29)		
	-Chakrabarty Consulting Services Pvt Ltd	1,080	-
	(c) Receivables which have significant increase in Credit Risk	-	-
	(d) Receivables - credit impaired	-	-
	<b>Total</b>	<b>1,080</b>	<b>-</b>
<b>6</b>	<b>Loans and advances</b>		
	Advance for Shares	1,126	1,500
	ACE Integrated Solutions Limited	190	204
	Alok Kumar Goel	2,712	1,647
	Ashish Gupta HUF	1,579	-
	Arun Bhatt	-	302
	Bharat Singh	275	1,300
	Degourdi Engineering and Infra Solutions Private Limited	347	2,176
	Espan Infrastructure (I) Ltd	863	806
	Ganesh Kirana & Co	-	660
	Impex (India) Limited	-	770
	Invision Entertainment Pvt Ltd	648	648
	Jellybean Studios	1,085	1,000
	Kanishk Intetrade	1,390	2,210
	Lovleen	-	50
	Mukesh Sharma	1,671	1,951
	Oracle Sales	7,074	-
	Paras Green	-	312
	Priyanka Singhaniya	-	200
	Rakesh Pandey	-	502
	R.S. Traders	-	89
	Shivam Online Education and Calibre Testing Lab Pvt Ltd	587	547
	Shivani Realbuild Pvt Ltd	4,990	4,646
	Shriram Stores	1,165	-
	Sunrise Structures and Developers Pvt Ltd	2,524	-
	Suresh Pal Singh	3,500	3,500
	Suvi Global Engineering LLP	1,277	1,187
	Tata Capital Financial Services Limited	163	163
	Vardhaman Solvents And Chemicals Private Limited	1,960	1,813
	Focus Multi-speciality Centre LLP	81	-
	Digital Lending (Refer annexure 1)	1,050	-
	<b>Total</b>	<b>36,255</b>	<b>28,182</b>

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**F MEC INTERNATIONAL FINANCIAL SERVICES LIMITED**

Notes forming part of the Financial Statements

(All amounts in Indian Rupees '000, unless stated otherwise)

Note No.	Particulars	31-Mar-22	31-Mar-21
<b>7</b>	<b>Investments</b>		
	<b><u>Non Current Investments</u></b>		
	<b><u>Unquoted</u></b>		
	YDS Securities Pvt. Ltd. (21000 equity shares (PY 21000 equity shares) @ Rs. 10 each)	2,100	2,100
	<b><u>Advance against property</u></b>		
	Triveni Buildzone Private Limited	-	1,000
	<b>Total</b>	<b>2,100</b>	<b>3,100</b>
<b>8</b>	<b>Other Financial assets</b>		
	GST Receivable	1	178
	TDS A.Y. 2020-21	14	14
	TDS A.Y. 2021-22	44	231
	TDS A.Y. 2022-23	334	-
	Camden Town Technologies Pvt Ltd	-	534
	Amazon Internet Services Private Limited	3	-
	BSE Limited	1	-
	Security Deposit (Mercatile House)	360	-
	Accrued Interest on FFD	10	-
	Razorpay-Disbursement A/c	38	-
	<b>Total</b>	<b>805</b>	<b>957</b>
<b>9</b>	<b>Deferred Tax Assets/ (Liability)</b>		
	Deferred Tax Assets	12	3
	<b>Total</b>	<b>12</b>	<b>3</b>
<b>12</b>	<b>Borrowings</b>		
	<b><u>Secured Loans:-</u></b>		
	Tata Capital Financial Services Limited	-	-
	<b><u>Unsecured Loans:-</u></b>		
	Avtar Instalments Pvt Ltd	2,104	2,304
	Pusma Investment Pvt Ltd	1,403	1,317
	Sapling Developers Pvt Ltd	2,923	2,743
	Sampark Entertainment Pvt Ltd	2,107	-
	<b>Total</b>	<b>8,538</b>	<b>6,364</b>
<b>13</b>	<b>Trade Payables</b>		
	(refer note no. 30)		
	<b>Total Outstanding Dues of Micro Enterprises and Small Enterprise:</b>	-	-
	<b>Total Outstanding Dues of Creditors other than Micro Enterprises and Small Enterprises</b>		
	Experian Credit Information Company of India Pvt Ltd	18	12
	Flamingo Digital Pvt Ltd	49	456

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**F MEC INTERNATIONAL FINANCIAL SERVICES LIMITED**

Notes forming part of the Financial Statements

(All amounts in Indian Rupees '000, unless stated otherwise)

Note No.	Particulars	31-Mar-22	31-Mar-21
	Google India Pvt Ltd	1	0
	National Securities Depository Limited	1	2
	SID Groups	-	1
	Skyline Financial Services Pvt. Ltd.	28	48
	Transunion Cibil Limited	6	7
	Webvirtue Technology Private Limited	374	374
	Zeal Advertising Pvt Ltd	48	59
	Any Time Computer Services	6	-
	Digitech Solutions Pvt Ltd	0	-
	Mercantile House Flat Owners Association	14	-
	<b>Total</b>	<b>545</b>	<b>959</b>
<b>14</b>	<b>Other Financial Liabilities</b>		
	Audit Fees Payable	45	46
	Expenses Payable	319	306
	<b>Total</b>	<b>364</b>	<b>352</b>
<b>15</b>	<b>Current Tax Liabilities</b>		
	Provision for Income Tax	357	195
	<b>Total</b>	<b>357</b>	<b>195</b>
<b>16</b>	<b>Other non financial Liabilities</b>		
	GST Payable	19	-
	CGST Payable	-	-
	SGST Payable	-	-
	TDS Payable	35	79
	<b>Total</b>	<b>54</b>	<b>79</b>
<b>17</b>	<b>Equity Share Capital</b>		
	<b>Authorised</b>		
	35,00,000 (PY 35,00,000) Equity Share of Rs. 10/- each	35,000	35,000
	<b>Total</b>	<b>35,000</b>	<b>35,000</b>
	<b>Issued, Subscribed &amp; Fully Paid up</b>		
	Opening {31,00,700 (PY 31,00,700) Equity Share of Rs. 10/- each}	31,007	31,007
	Additions	-	-
	Deductions	-	-
	Closing {31,00,700 (PY 31,00,700) Equity Share of Rs. 10/- each}	31,007	31,007
	<b>Total</b>	<b>31,007</b>	<b>31,007</b>

**17.1** The rights, preference and restrictions attached to each class of shares including restrictions on the distribution of

**Equity Shares**

The equity shares have a par value of ₹ 10 per share. Each shareholder is entitled to one vote per share. The In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the

**17.2 Shareholders holding more than 5% equity shares in the Company**

**Manoj Kumar Jain**

No. of Shares held

3,26,050

3,26,050

% of Holding

10.52%

10.52%

**Pankaj Kumar Bansal**

No. of Shares held

2,35,625

2,35,625

% of Holding

7.60%

7.60%



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**F MEC INTERNATIONAL FINANCIAL SERVICES LIMITED**

Notes forming part of the Financial Statements

(All amounts in Indian Rupees '000, unless stated otherwise)

Note No.	Particulars	31-Mar-22	31-Mar-21
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**17.3 Shareholding of Promoters as below:**

Sl. No.	Promoter name	No. of Shares	% of total shares	% Change during the year
1	MANOJ KUMAR JAIN	326050	10.52	Nil
2	PANKAJ KUMAR	235625	7.60	Nil
3	MAHIMA JAIN	81350	2.62	Nil
4	APOORVE BANSAL	77800	2.51	Nil
5	NIRAJ JAIN	76100	2.45	Nil
6	MEGHA BANSAL	75100	2.42	Nil
7	PANKAJ BANSAL HUF	59000	1.90	Nil
8	LALITA BANSAL	51300	1.65	Nil
9	M K JAIN (HUF)	50000	1.61	Nil

**18 Other Equity**

**Surplus in Statement of Profit & Loss**

Opening Balance	1,754	1,307
Add : Excess Provision for Income Tax written back	-	10
Add : Net Profit for the current year	796	437
	<u>2,550</u>	<u>1,754</u>

**Special Reserve (1) as per Sec 45-IC RBI ACT, 1934**

Opening Balance	442	342
Amount Transferred From Statement of P&L	204	99
	<u>646</u>	<u>442</u>

**Reserve for Bad and Doubtful debts**

Opening Balance	70	110
Amount Transferred From Statement of P&L	20	(39)
	<u>90</u>	<u>70</u>

**G. Total**

	<u>3,286</u>	<u>2,266</u>
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F Mec International Financial Services Limited

Notes forming part of the Financial Statements

NOTE:10-Property, Plant and Equipment

PARTICULARS	Gross Block						Depreciation			Net Block	
	Balance as on 01-04-2021	Addition During the year	Disposal/Sales during the year	Balance As At 31-03-2022	Balance up to 31-03-2021	Depreciation for the year	Depreciation written back or transfer	Balance up to 31-03-2022	Balance as on 31-03-2022	Balance as on 31-03-2021	
	Air Conditioner	85	-	-	85	53	5	-	58	27	32
Computer & Hardware (MacBook Air Apple)	-	75	-	75	-	41	-	41	34	-	
EPBAX System	-	18	-	18	-	1	-	1	18	-	
Furniture & Fixtures	-	179	-	179	-	9	-	9	170	-	
<b>Total</b>	<b>85</b>	<b>272</b>	<b>-</b>	<b>357</b>	<b>53</b>	<b>56</b>	<b>-</b>	<b>109</b>	<b>248</b>	<b>32</b>	

NOTE:11-Intangible Assets

PARTICULARS	Gross Block			Amortisation			Net Block		
	Balance as on 01-04-2021	Addition During the year	Disposal/Sales during the year	Balance As At 31-03-2022	Balance up to 31-03-2021	Amortisation for the year	Amortisation written back or transfer	Balance up to 31-03-2022	Balance as on 31-03-2021
	Software	800	-	-	800	320	160	-	480
<b>Total</b>	<b>800</b>	<b>-</b>	<b>-</b>	<b>800</b>	<b>320</b>	<b>160</b>	<b>-</b>	<b>480</b>	<b>480</b>
<b>Grand Total</b>	<b>885</b>	<b>272</b>	<b>-</b>	<b>1,157</b>	<b>373</b>	<b>216</b>	<b>-</b>	<b>589</b>	<b>568</b>



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**F MEC INTERNATIONAL FINANCIAL SERVICES LIMITED**  
Notes forming part of the Financial Statements

(All amounts in Indian Rupees '000, unless stated otherwise)

Note No	Particulars	Year ended 31st March 2022	Year ended 31st March 2021
19	<b>Revenue from operations</b>		
	<b>Income from Services</b>		
	Interest Income	2,748	3,889
	Consultancy & Commission Income	2,389	1,251
	Processing Fee	129	18
	<b>Total</b>	<b>5,267</b>	<b>5,158</b>
20	<b>Other Income</b>		
	Short & Excess	-	0
	Discount Received	-	0
	Interest on Flexi Fixed Deposit	121	23
	Misc. Income	10	9
	<b>Total</b>	<b>131</b>	<b>33</b>
21	<b>Employee Benefit Expenses</b>		
	Director Remuneration	600	600
	Salary	771	547
	<b>Total</b>	<b>1,371</b>	<b>1,147</b>
22	<b>Finance Costs</b>		
	Bank Charges	2	1
	<b>Total</b>	<b>2</b>	<b>1</b>
23	<b>Other Expenses</b>		
	Advertisement Expenses	23	28
	Annual Fees	19	19
	Auditor's Fees (Refer Note 20.1)	50	50
	Bad Debts	425	1,300
	Consultancy Fee	-	22
	Conveyance	-	36
	Credit Reporting & Rating Services	36	8
	Collection Agency Charges	4	-
	Computer Maintenance and Servicing Charges	23	-
	Commission Charges	80	-
	E-Voting Charges	5	10
	Electricity Expenses	70	-
	Foreign Exchange Gain / Loss	0	-
	GST Expenses	90	-
	Information Technology (IT) Design and Development Services	127	711
	Interest on TDS	0	47
	Interest on Income Tax	-	10
	Interest Paid	304	389
	Issuer Fee	9	9
	Listing Fees	310	300
	GST Late Filing Fees	-	0
	Printing & Stationary	4	-
	Professional Fees	167	66
	Rent	360	48
	Repair & Maintenance	237	0
	ROC Charges	12	10
	Short & Excess	0	-
	Software Subscription Expenses	11	67
	Telephone & Internet Expenses	12	12
	Trademark Fees	9	-
	Website Designing/Renewal Expenses	5	11
	Assets w/off	-	1
	Office Expenses	48	3
	<b>Total</b>	<b>2,440</b>	<b>3,157</b>
23.1	<b>Payment to Auditors</b>		
	Payment to Auditors		
	-As Auditors	50	50
	<b>Total</b>	<b>50</b>	<b>50</b>

*Approved*

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**F MEC INTERNATIONAL FINANCIAL SERVICES LIMITED**  
Notes forming part of the Financial Statements

**24 "Earning per Share" computed in accordance with Indian Accounting Standard (Ind AS)-33 "Earnings Per Share"**  
(All amounts in Indian Rupees '000, unless stated otherwise)

Particulars	For the year ended	
	31-Mar-22	31-Mar-21
<b>a) Numerator:</b>		
Net Profit after taxation as per Statement of Profit & Loss	1,021	497
<b>b) Denominator :</b>		
No. of Shares at the beginning of the year	3,101	3,101
Total Equity Share outstanding at the end of the year	3,101	3,101
Weighted average no. of equity shares for the year	3,101	3,101
Weighted average no. of diluted equity shares for the year	3,101	3,101
<b>c) Face Value per share (in ₹)</b>	10.00	10.00
<b>d) Earning per Share (EPS):</b>		
-Basic (in ₹)	0.3292	0.1602
-Diluted (in ₹)	0.3292	0.1602

**25 Segment Reporting**

As per Indian Accounting Standard (Ind AS)-108 "Operating Segments", the Company's segment reporting is as below:  
Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The managing director has been identified as being the chief operating decision maker to assess the financial performance and position of the Company and make strategic decisions. The Company is engaged primarily in the business of "Financing and providing Consultancy". Accordingly, In the context of Indian Accounting Standard 108 – Operating Segments, it is considered to constitute single reportable segment.

**26 Related Party Disclosure**

As per Indian Accounting Standard (Ind AS)-24 "Related Party Disclosures", the Company's related parties and transactions are disclosed below:

**a. Related parties & relationships with whom transactions have taken place during the year:**

**i Key Management Personnel (KMP)**

Mr. APOORVE BANSAL	-Managing Director
Mrs. MAHIMA JAIN	-Chief Financial Officer
Mrs. RENU SINGHAL	-Company Secretary & Compliance Officer

**b. Enterprises owned or significantly influenced by KMP and/or their relatives**

YDS SECURITIES PRIVATE LIMITED	Entity having common director
GANESH KIRANA & CO	Relative of managing director is the proprietor of the entity

**c. Transactions with related Parties:**

(All amounts in Indian Rupees '000, unless stated otherwise)

S. No.	Name of the Party	Nature of Transaction	Nature	For the year ended	
				31-Mar-22	31-Mar-21
1	Mr. APOORVE BANSAL	Director's Remuneration	Expense	600	600
2	Mrs. MAHIMA JAIN	Remuneration	Expense	513	98
3	Mrs. RENU SINGHAL	Remuneration	Expense	180	15
4	GANESH KIRANA & CO	Loans and advances received back	Assets	705	500
		Interest on Loan	Income	50	128
		Processing Fees	Income	-	-
		Loans and advances given	Assets	-	-

**d. Closing balance with related parties :**

S. No.	Name of the Party	Nature of Transaction	Nature	For the year ended	
				31-Mar-22	31-Mar-21
1	YDS SECURITIES PRIVATE LIMITED	Investments	Assets	2,100	2,100
2	GANESH KIRANA & CO	Loans and advances	Assets	-	660

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F MEC INTERNATIONAL FINANCIAL SERVICES LIMITED

Notes forming part of the Financial Statements

27 In the opinion of the management, the value on realization of current assets, loans & advances in the ordinary course of business would not be less than the amount at which they are stated in the Balance Sheet and provisions for all known liabilities have been made.

28 The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

1. Fair value of current assets which includes loans given, cash and cash equivalents, other bank balances and other financial assets approximate their carrying amounts largely due to short term maturities of these instruments.
2. Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to account for expected losses of these receivables. Accordingly, fair value of such instruments is not materially different from their carrying amounts.

29 Trade Receivables ageing schedule (All amounts in Indian Rupees '000, unless stated otherwise)

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	1,080					1,080
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables – considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-

30 Trade Payables ageing schedule (All amounts in Indian Rupees '000, unless stated otherwise)

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	-	-	-
(ii) Others	136	409	-	-	545
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-

31 Ratios:

(a) Capital to risk-weighted assets ratio (CRAR)	83.23
(b) Tier I CRAR	75.18
(c) Tier II CRAR	8.05
(d) Liquidity Coverage Ratio	64.85

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**32 Financial risk management**

The Company's business activities are exposed to a variety of financial risks, namely liquidity risk, market risks and credit risk. The Company's senior management has the overall responsibility for establishing and governing the Company's risk management framework. The Company has constituted a Risk Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set and monitor appropriate risk limits and controls, periodically review the changes in market conditions and reflect the changes in the policy accordingly. The key risks and mitigating actions are also placed before the Audit Committee of the Company.

**Management of liquidity and funding risk**

Liquidity risk arises from mismatches in the timing of cash flows.

Funding risk arises:

- '- when long term assets cannot be funded at the expected term resulting in cashflow mismatches;
- '- amidst volatile market conditions impacting sourcing of funds from banks and money markets.

Liquidity and funding risk is measured by identifying gaps in the structural and dynamic liquidity statements.

Liquidity and funding risk is monitored by :

- assessment of the gap between visibility of funds and the near term liabilities given current liquidity conditions and evolving regulatory directions for NBFCs.
- a constant calibration of sources of funds in line with emerging market conditions in banking and money markets.
- periodic reviews by risk management committee relating to the liquidity position and stress tests assuming varied 'what if' scenarios and comparing probable gaps with the liquidity buffers maintained by the Company.

Liquidity and funding risk is managed by the Company's treasury team under the guidance of risk management committee.

The table below summarises the maturity profile of the undiscounted cashflow of the Company's financial liabilities:

Particulars	Carrying Amount	Payable within 1 year	Amount in ₹	
			Payable after 1 year	Total
<b>As at 31<sup>st</sup> March 2022</b>				
Borrowings	8,538	8,538	-	8,538
Trade Payables	545	545	-	545
Other Financial Liabilities	364	364	-	364
<b>As at 31<sup>st</sup> March 2021</b>				
Borrowings	6,364	6,364	-	6,364
Trade Payables	959	959	-	45,321
Other Financial Liabilities	352	352	-	2,195
<b>As at 1<sup>st</sup> April 2020</b>				
Borrowings	14,704	14,704	-	14,704
Trade Payables	285	285	-	285
Other Financial Liabilities	197	197	-	197

**Management of market risk**

Market risk is the risk that the fair value of future cash flow of financial instruments will fluctuate due to changes in the market variables such as interest rates, foreign exchange rates and equity prices. The Company do not have any exposure to foreign exchange rate and equity price risk.

**Management of credit risk**

Credit risk is the risk of financial loss arising out of a customer or counterparty failing to meet their repayment obligations to the Company. It has a diversified lending model and focuses on six broad categories viz: (i) consumer lending, (ii) SME lending, (iii) rural lending, (iv) mortgages, (v) loan against securities, and (vi) commercial lending. The Company assesses the credit quality of all financial instruments that are subject to credit risk.

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F MEC INTERNATIONAL FINANCIAL SERVICES LIMITED  
Notes forming part of the Financial Statements

a). Classification of financial assets under various stages

The Company classifies its financial assets in three stages having the following characteristics:

**Stage 1**

Unimpaired and without significant increase in credit risk since initial recognition on which a 12 month allowance for ECL is recognised;

**Stage 2:**

A significant increase in credit risk since initial recognition on which a lifetime ECL is recognised;

**Stage 3:**

Objective evidence of impairment, and are therefore considered to be in default or otherwise credit impaired on which a lifetime ECL is recognised.

Unless identified at an earlier stage, all financial assets are deemed to have suffered a significant increase in credit risk when they are 30 days past due (DPD) and are accordingly transferred from stage 1 to stage 2. For stage 1 an ECL allowance is calculated based on a 12 month Point in Time (PIT) probability weighted probability of default (PD). For stage 2 and 3 assets a life time ECL is calculated based on a lifetime PD.

Financial instruments other than loans were subjected to simplified ECL approach under Ind AS 109 'Financial Instruments' and accordingly were not subject to sensitivity of future economic conditions.

- 33 The figures for the previous year have been restated, regrouped and reclassified wherever required to comply with the requirement of Ind AS and Schedule III, Division III.
- 34 All amounts in the financial statements are rounded off to the nearest amount in Indian Rupees '000, unless stated otherwise.
- 35 Note 1 to 34 are annexed to and form an integral part of the Balance Sheet as at 31st Mar 2022, Statement of Profit and Loss, statement of cash flows and statement of changes in equity for the year ended as on that date.

**For SANJAY K SINGHAL & Co**

(Chartered Accountants)  
Firm Regn. No. 024807N

(Sanjay Kumar Singhal)

Partner  
M. No: 503475  
Place: Delhi  
Date: 26/05/2022



**For and on behalf of the Board**

F Mec International Financial Services Limited  
For F Mec International Financial Services Limited

(APOORVE BANSAL)

Managing Director  
DIN-08052540

Mahima Jain

(MAHIMA JAIN)  
Chief Financial Officer  
PAN:APJPJ2796N

(AWANISH SRIVASTAVA)

Director  
Auth. Signatory/Director

Rsinghal

(RENU SINGHAL)  
Company Secretary  
& Compliance Officer  
Membership No:A63833