



Finance Limited

# FRANKLIN LEASING AND FINANCE LIMITED

Ph. : 011 4235 1486

Unit/Shop No. 205, Second Floor, Aggarwal City Mall Road No. 44, Pitampura, Delhi - 110 034

E-mail : franklinleasingfinance@gmail.com, Website : www.franklinleasing.in

CIN No. U74899DL1992PLC048028

Date: 12/10/2017

To,  
To,  
The Bombay Stock Exchange Limited,  
PJ Towers, Dalal Street  
Mumbai- 400 001

Sub: Submission of Annual Report of the Company for the financial year 2016-17 for Annual General Meeting held on 25<sup>th</sup> September, 2017

Ref.: Script Code: BSE-539839

Dear Sir,

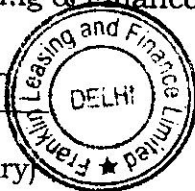
Pursuant to Regulation 34 of Securities and Exchange Board of India ( Listing obligations and Disclosure Requirements) Regulations 2015, We hereby submit Annual Report of the Company for the financial year 2016-17 for Annual General Meeting held on 25<sup>th</sup> September, 2017.

Kindly acknowledge the same.

Thanking you.

Yours Faithfully,  
For Franklin Leasing & Finance Limited

*Shanu Jain*  
Shanu Jain  
(Company Secretary)



Encl: As stated above



**FRANKLIN LEASING & FINANCE LIMITED**  
**ANNUAL REPORT**  
**2016-2017**

# CORPORATE INFORMATION

## **Board Of Directors**

<i>Mr. Pawan Dalmia</i>	<i>Managing Director</i>
<i>Mr. Ramesh Kumar Dalmia</i>	<i>Director</i>
<i>Mr. Sunitha Gupta</i>	<i>Director</i>

## **Company Secretary & Compliance Officer**

*Ms. Shanu Jain*

## **Chief Financial Officer (CFO)**

*Mr. Raju Kumar Ram*

## **Registered Address**

*Unit/Shop No.205, Second Floor, Aggarwal City Mall Road No.44, Pitampura Delhi- 110034*

## **Bankers**

*RBL Bank  
Development Credit Bank  
Yes Bank  
Kotak Bank*

## **Auditor**

*Anil Hariram Gupta & Co  
Chartered Accountant  
M. No.: 066306  
Add.: 14, Rajendra Mullick Street, Ground Floor  
Opp. Marble Palace (Singhi Bagan), Kolkata-700007  
Ph No.: +91-33-22692090  
Email Id : [-anilgupta81@yahoo.com](mailto:-anilgupta81@yahoo.com)*

## **Registrar & Share Transfer Agent**

*Skyline Financial Services Private Limited  
D-153A, 1<sup>st</sup> Floor, Okhla Industrial Area  
Phase-I, New Delhi-110020  
Tel: +91-11-64732681-88  
E-mail: [viren@skylinerta.com](mailto:viren@skylinerta.com); [admin@skylinerta.com](mailto:admin@skylinerta.com)*

# ***NOTICE***

Notice is hereby given that 25<sup>th</sup> Annual General Meeting of the members of the **FRANKLIN LEASING AND FINANCE LIMITED** will be held at Unit/Shop No.205,Second Floor, Aggarwal City Mall Road No.44,Pitampura Delhi North Delhi DI 110034 Monday day, 25<sup>th</sup> September, 2017 at the 9.30 a.m to transact the following businesses:

## **ORDINARY BUSINESS:**

1. To receive, consider and adopt the Annual Financial Statements of the Company for the financial year ended 31st March, 2017, the Reports of Auditors and Directors thereon.
2. To appoint a director in place of Mr. Ramesh Kumar Dalmia [Din: 03257468] who retires by rotation and being eligible, offers himself for re-appointment.
3. 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 139 of the Companies Act, 2013 and other applicable provisions, if any, and the Companies (Audit and Auditors) Rules, 2014 and other applicable rules, if any, (including any statutory modification(s) or re-enactment thereof for the time being in force) M/s. Anil Hariram Gupta & Co. Chartered Accountant (Membership No. 066306), be and is hereby re-appointed as the Statutory Auditor of the Company and to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of AGM to be held in the year 2019, subject to ratification by members at every AGM, on a remuneration as may be mutually agreed upon by the Board of Directors and the Auditor.”

**Date:** 12/08/2017

**Place:** New Delhi

**By order of the Board  
Franklin Leasing and Finance Limited  
Sd/-  
Shanu Jain  
(Company Secretary)**

## **NOTES:**

- 1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY/ PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF. SUCH A PROXY/ PROXIES NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT OF PROXY IN ORDER TO BE EFFECTIVE SHALL BE DEPOSITED AT THE CORPORATE OFFICE OF THE COMPANY BY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**

Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as a proxy on behalf of not more than fifty (50) members and holding in aggregate not more than 10% of the total share capital of the Company carrying voting rights. However a Member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy, who shall not act as a proxy for any other person or shareholder. The appointment of proxy shall be in the Form No. MGT.11 annexed herewith.

2. The Register of Members and Share Transfer Book will remain closed from 10<sup>th</sup> September, 2017 to 16<sup>th</sup> September, 2017 (both days inclusive).
3. Members holding shares in the electronic form are requested to inform any changes in address/bank mandate directly to their respective Depository Participants.
4. Members are requested to hand over the enclosed Attendance Slip, duly signed in accordance with their specimen signature(s) registered with the Company for admission to the meeting hall. Members who hold shares in dematerialised form are requested to bring their Client ID and DP ID Numbers for identification.
5. Corporate Members are requested to send to the Company's Registrar & Transfer Agent, a duly certified copy of the Board Resolution authorizing their representative to attend and vote at the Annual General Meeting.
6. In case of joint holders attending the Meeting, only such joint holders who are higher in the order of names will be entitled to vote.
7. Members holding shares in electronic form may note that bank particulars registered against their respective registered accounts will be used by the Company for the payment of dividend. The Company or its Registrar and Share Transfer Agent cannot act on any request received directly from the members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the members.
8. The Securities and Exchange Board of India has mandated submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in demat form are, therefore, requested to submit PAN details to the Depository Participants with whom they have demat accounts. Members holding shares in physical form can submit their PAN details to the Company/ Registrar and Share Transfer Agents (M/s. SKYLINE FINANCIAL SERVICES PRIVATE LIMITED)
9. As a measure of austerity, copies of the annual report will not be distributed at the Annual General Meeting. Members are therefore, requested to bring their copies of the Annual Report to the Meeting.

10. Members holding shares in the same name under different ledger folios are requested to apply for Consolidation of such folios and send the relevant share certificates to M/S. Skyline Financial Services Private Limited, Share Transfer Agents of the Company for their doing the needful.
11. Members are requested to send their queries at least 10 days before the date of meeting so that information can be made available at the meeting.
12. In respect of shares held in physical mode, all shareholders are requested to intimate changes, if any, in their registered address immediately to the registrar and share transfer agent of the company and correspond with them directly regarding share transfer/transmission /transposition, Demat / Remat, change of address, issue of duplicate shares certificates, ECS and nomination facility.
13. In terms of Section 72 of the Companies Act, 2013, a member of the company may nominate a person on whom the shares held by him/her shall vest in the event of his/her death. Members desirous of availing this facility may submit nomination in prescribed Form-SH-13 to the company/RTA in case shares are held in physical form, and to their respective depository participant, if held in electronic form.
14. Electronic copy of the Annual Report for 2016-2017 is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for 2016-2017 is being sent in the permitted mode.

**Green Initiative –Registration of E-Mail address**

15. The Ministry of Corporate Affairs (“MCA”) Government of India, through circular No.17/2011 dated 21st April, 2011 and Circular No.18/2011 dated 29th April 2011, has taken a green initiative for corporate governance. The members are requested to register e-mail address with the Depository Participant/ the Registrar and Share Transfer Agent of the Company, i.e. Big Share Services Private Limited, as the case may be, for service of documents
16. Members may also note that the Notice of the 25<sup>th</sup> Annual General Meeting and the Annual Report for 2016-2017 will also be available on the Company’s website [www.franklinleasing.in](http://www.franklinleasing.in) for their download. The physical copies of the aforesaid documents will also be available at the Company’s Registered Office for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company’s investor email id: [franklinleasingfinance@gmail.com](mailto:franklinleasingfinance@gmail.com).

**17. Voting through electronic means**

Pursuant to Section 108 of the Companies Act, 2013, read with the relevant Rules of the Act, the Company is pleased to provide the facility to Members to exercise their right to vote by electronic means. The Members, whose names appear in the Register of Members / list of Beneficial Owners as on 09.09.2017, i.e. the date prior to the commencement of book closure date are entitled to vote on the Resolutions set forth in this Notice. The remote e-voting period will commence at 9.00 a.m. on 13th of September, 2017 and will end at 5.00 p.m. on 15th of September, 2017. The facility for voting through electronic voting system (‘Insta Poll’)

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 'Insta Poll'. The Company has appointed Mr. Akhil Agarwal, Practising Company Secretary having Membership No. M. NO. A35073 to act as the Scrutinizer, to scrutinize the Insta Poll and remote e-voting process in a fair and transparent manner. The Members desiring to vote through remote e-voting refer to the detailed procedure given hereinafter

**The instructions for members for voting electronically are as under:-**

**In case of members receiving e-mail:**

- (i) Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- (ii) Click on "Shareholders" tab.
- (iii) Now, select the "FRANKLIN" from the drop down menu and click on "SUBMIT"
- (iv) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

**For Members holding shares in Demat Form and Physical Form**

PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"><li>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number (refer serial no. printed on the name and address sticker/Postal Ballot Form/mail) in the PAN field.</li><li>• In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with serial number 1 then enter RA00000001 in the PAN Field.</li></ul>
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. <ul style="list-style-type: none"><li>• Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field.</li></ul>

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant <FRANKLIN> on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.com> and register themselves as Corporates.
  - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.



**In case of members receiving the physical copy:**

- (A) Please follow all steps from sl. no. (i) To sl. no. (xvii) Above to cast vote.
- (B) The remote e-voting period begins on 13th September, 2017 (9.00 a.m.) and ends on 15<sup>th</sup> September, 2017 at (05.00 p.m.). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 09.09.2017 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (C) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

**Date:** 12/08/2017

**Place:** New Delhi

**By order of the Board**  
**Franklin Leasing and Finance Limited**  
Sd/-  
**Shanu Jain**  
**(Company Secretary)**

# Directors' Report

Dear Members,

Your Directors have pleasure in presenting their 25th Annual Report together with the Audited Accounts of the Company for the Year ended March 31, 2017.

## FINANCIAL SUMMARY OR HIGHLIGHTS/PERFORMANCE OF THE COMPANY

The Standalone Financial results are summarized below:

(Amount in Lacs.)

Particulars	March 31, 2017	March 31, 2016
Total Income	427.24	181.68
Total Expenditure	391.26	158.42
Profit Before Tax	35.97	23.26
Provision for Tax	11.11	7.19
Profit after Tax	24.85	16.07
Transfer to Statutory Reserves	4.97	3.21
Profit available for appropriation	0.79	0.15
Provision for Proposed Dividend	-	-
Provision for Dividend Tax	-	-
Balance Carried to Balance Sheet	19.09	12.71

## TRANSFER TO RESERVE

The Company has not transferred any amount to General Reserve.

## BRIEF DESCRIPTION OF THE COMPANY'S STATE OF AFFAIR

The highlights of Company's performance are as under:

- Revenue from operations increased from Rs. Rs. 181.68 lacs. to Rs. 427.24 lacs.
- Profit before taxation stood at Rs. 35.97 Lacs against Rs.23.26 in the previous year.
- The net Profit of the Company for the year under review was Rs. 24.85 as against Net Profit of Rs. 16.07 in the previous year.

## DIVIDEND

Your Directors feel that it is prudent to plough back the profits for future growth of the Company and do not recommend any dividend for the year ended 31st March, 2017.

## SHARE CAPITAL

The paid up equity capital as on March 31, 2017 was Rs. 11,55,84,000. During the year under review, no issue of equity shares with differential voting rights was completed. Further, the Company has not issued any sweat equity nor granted any employee stock options.

## **CHANGES IN THE NATURE OF BUSINESS**

During the year, there has been no Change in the nature of the Business of the Company. No material changes and commitments have occurred between the end of the financial year and date of report.

## **INITIAL PUBLIC OFFERING**

The Company has spent/utilized the proceeds of the fund raised under the IPO for increasing the capital base as well as growing the operational scale with respect to our NBFC activities. Further, we expect to receive the benefits of listing on the SME platform of BSE LTD.

## **BOARD MEETING**

The Board of Directors duly met 6 (Six) times on 20.05.2016, 21.07.2016, 09.08.2016, 12.11.2016, 13.02.2017 and 28.03.2017 and in respect of which meetings, proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose

## **PUBLIC DEPOSITS**

Your Company has not accepted any deposits in terms of Section 73 to 76 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014 and no amount on account of principal or interest on deposits from public was outstanding during the year under review as on the date of the balance sheet.

## **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

The company has not given loans or guarantees but has invested in the Equity Shares of the other Companies. The details of the investments made by company during the year under review is given in the financial statements.

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

The Company has in place adequate internal financial controls system with reference to financial statements. The scope of work includes review of process for safeguarding the assets of the Company, review of operational efficiency, effectiveness of systems and processes, and assessing the internal control strengths in all areas. During the year, such controls were tested and no reportable weakness in the design or operation was observed.

## **CORPORATE SOCIAL RESPONSIBILITY (CSR) INITIATIVES**

In accordance with the requirements of the provisions of section 135 of the Act, the Company has constituted a Corporate Social Responsibility ("CSR") Committee. The composition and terms of reference of the CSR Committee is provided in the Corporate Governance Report.

Since your Company do not have the net worth of Rs. 500 Crore or more, or turnover of Rs. 1000 Crore or more, or a net profit of Rs. 5 Crore or more during the financial year, section 135 of the Companies Act, 2013 relating to Corporate Social Responsibility is not applicable and hence the Company need not adopt any Corporate Social Responsibility Policy.

## CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION

The required information as per rule 8(3) of the companies (Accounts) Rules, 2014 is provided hereunder:

### A. Conservation of Energy:

Your Company's operations are not energy intensive. Adequate measures have been taken to conserve energy wherever possible by using energy efficient computers and purchase of energy efficient equipment.

### B. Technology Absorption:

1. Research and Development (R&D): NIL
2. Technology absorption, adoption and innovation: NIL

### C. Foreign Exchange Earnings and Out Go:

1. Foreign Exchange Earnings: NIL
2. Foreign Exchange Outgo: NIL.

## POLICY FOR SELECTION OF DIRECTORS AND DETERMINING DIRECTORS' INDEPENDENCE

### 1. Scope:

This policy sets out the guiding principles for the Nomination & Remuneration Committee for identifying persons who are qualified to become Directors and to determine the independence of Directors, in case of their appointment as independent Directors of the Company.

### 2. Terms and References:

2.1 "Director" means a director appointed to the Board of a Company.

2.2 "Nomination and Remuneration Committee" means the committee constituted in accordance with the provisions of Section 178 of the Companies Act, 2013 and clause 49 of the Equity Listing Agreement.

2.3 "Independent Director" means a director referred to in sub-section (6) of Section 149 of the Companies Act, 2013 and Clause 49(II)(B) of the Equity Listing Agreement.

### 3. Policy:

#### Qualifications and criteria

3.1.1 The Nomination and Remuneration Committee, and the Board, shall review on annual basis, appropriate skills, knowledge and experience required of the Board as a whole and its individual members. The objective is to have a board with diverse background and experience that are relevant for the Company's operations.

3.1.2 In evaluating the suitability of individual Board member the NR Committee may take into account factors, such as:

- General understanding of the company's business dynamics, global business and social perspective;
- Educational and professional background
- Standing in the profession;

- Personal and professional ethics, integrity and values;
- Willingness to devote sufficient time and energy in carrying out their duties and responsibilities effectively.

3.1.3 The proposed appointee shall also fulfill the following requirements:

- shall possess a Director Identification Number;
- shall not be disqualified under the companies Act, 2013;
- shall Endeavour to attend all Board Meeting and Wherever he is appointed as a Committee Member, the Committee Meeting;
- shall abide by the code of Conduct established by the company for Directors and senior Management personnel;
- shall disclose his concern or interest in any company or companies or bodies corporate, firms, or other association of individuals including his shareholding at the first meeting of the Board in every financial year and thereafter whenever there is a change in the disclosures already made;
- Such other requirements as may be prescribed, from time to time, under the companies Act, 2013, Equity listing Agreements and other relevant laws.

3.1.4 The Nomination & Remuneration Committee shall evaluate each individual with the objective of having a group that best enables the success of the company's business.

### **3.2 criteria of independence**

3.2.1 The Nomination & Remuneration Committee shall assess the independence of Directors at time of appointment/ re-appointment and the Board shall assess the same annually. The Board shall re-assess determinations of independence when any new interest or relationships are disclosed by a Director.

3.2.2 The criteria of independence shall be in accordance with guidelines as laid down in companies Act, 2013 and Clause 49 of the Equity Listing Agreement.

3.2.3 The Independent Director shall abide by the "Code for Independent Directors "as specified in Schedule IV to the companies Act, 2013.

### **3.3 Other Directorships/ Committee Memberships**

3.3.1 The Board members are expected to have adequate time and expertise and experience to contribute to effective Board performance Accordingly, members should voluntarily limit their directorships in other listed public limited companies in such a way that it does not interfere with their role as Director of the company. The HRNR Committee shall take into account the nature of, and the time involved in a Director Service on other Boards, in evaluating the suitability of the individual Director and making its recommendations to the Board.

3.3.2 A Director shall not serve as director in more than 20 companies of which not more than 10 shall be public limited companies.

3.3.3 A Director shall not serve an indepent Director in more than 7 listed companies and not more than 3 listed companies in case he is serving as a whole-time Director in any listed company.

3.3.4 A Director shall not be a member in more than 10 committee or act chairman of more than 5 committee across all companies in which he holds directorships.

For the purpose of considering the limit of the committee, Audit committee and stakeholder's relationship committee of all public limited companies, whether listed or not, shall be included and all other companies including private limited companies, foreign companies and companies under section 8 of the Companies Act, 2013 shall be excluded.

## **Remuneration policy for Directors, key managerial personnel and other employees**

### **1. Scope:**

1.1 This policy sets out the guiding principles for the Nomination and Remuneration committee for recommending to the Board the remuneration of the directors, key managerial personnel and other employees of the company.

### **2. Terms and Reference:**

In this policy the following terms shall have the following meanings:

2.1 **"Director"** means a Director appointed to the Board of the company.

2.2 **"key managerial personnel"** means

- (i) The Chief Executive Office or the managing director or the manager;
- (ii) The company secretary;
- (iii) The whole-time director;
- (iv) The chief finance Officer; and
- (v) Such other office as may be prescribed under the companies Act, 2013

2.3 "Nomination and Remuneration Committee" means the committee constituted by Board in accordance with the provisions of section 178 of the companies Act, 2013 and clause 49 of the Equity Listing Agreement.

### **3. Policy:**

3.1 Remuneration to Executive Director and Key Managerial Personnel

3.1.1 The Board on the recommendation of the Nomination and Remuneration (NR) committee shall review and approve the remuneration payable to the Executive Director of the company within the overall approved by the shareholders.

3.1.2 The Board on the recommendation of the NR committee shall also review and approve the remuneration payable to the key managerial personnel of the company.

3.1.3 The Remuneration structure to the Executive Director and key managerial personnel shall include the following components:

- (i) Basic pay
- (ii) Perquisites and Allowances
- (iii) Stock Options
- (iv) Commission (Applicable in case of Executive Directors)
- (v) Retrial benefits
- (vi) Annual performance Bonus

3.1.4 The Annual plan and Objectives for Executive committee shall be reviewed by the NR committee and Annual performance Bonus will be approved by the committee based on the achievement against the Annual plan and Objectives.

### **3.2 Remuneration to Non – Executive Directors**

3.2.1 The Board, on the recommendation of the Nomination and Remuneration Committee, shall review and approve the remuneration payable to the Non – Executive Directors of the Company within the overall limits approved by the shareholders as per provisions of the companies act.

3.2.2 Non – Executive Directors shall be entitled to sitting fees attending the meetings of the Board and the Committees thereof. The Non- Executive Directors shall also be entitled to profit related commission in addition to the sitting fees.

### 3.3. Remuneration to other employees

3.3.1. Employees shall be assigned grades according to their qualifications and work experience, competencies as well as their roles and responsibilities in the organization. Individual remuneration shall be determined within the appropriate grade and shall be based on various factors such as job profile skill sets, seniority, experience and prevailing remuneration levels for equivalent jobs.

#### DECLARATION BY INDEPENDENT DIRECTORS

The independent directors of the Company (SUNITHA GUPTA) have given declarations that they meet the all criteria of independence as laid down under section 149(6) of the Companies Act, 2013 and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015.

#### CEO/CFO/MD CERTIFICATION

The Chief Financial Officer (CFO) have issued certificate pursuant to the provisions of Regulation 27(2) of the LODR certifying that the Financial Statements do not contain any materially untrue statement and these statements represent a true and fair view of the Company's affairs and the same forms a part of this report

#### FORMAL ANNUAL EVALUATION

As per section 149 of the Companies Act, 2013 read with clause VII (1) of the schedule IV and rules made there under, the independent directors of the company had a meeting on 01.02.2017 without attendance of non-independent directors and members of management. In the meeting the following issues were taken up:

- (a) Review of the performance of non-independent directors and the Board as a whole;
- (b) Review of the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors;
- (c) Assessing 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.

The meeting also reviewed and evaluated the performance of non-independent directors. The company has 2 (Two) non-independent directors namely:

- i.) Mr. Ramesh Kumar Dalmia - Non- Independent & Executive
- ii.) Mr. Pawan Dalmia - Non- Independent & Executive

The meeting was recognized for shaping up of the company and putting the company on accelerated growth path. They devoted more time and attention to bring up the company to the present level.

**The meeting also reviewed** and evaluated the performance the Board as whole in terms of the following aspects:

- Preparedness for Board/Committee meetings
- Attendance at the Board/Committee meetings

- Guidance on corporate strategy, risk policy, corporate performance and overseeing acquisitions and disinvestments.
- Monitoring the effectiveness of the company's governance practices
- Ensuring a transparent board nomination process with the diversity of experience, knowledge, perspective in the Board.
- Ensuring the integrity of the company's accounting and financial reporting systems, including the independent audit, and that appropriate systems of control are in place, in particular, systems for financial and operational control and compliance with the law and relevant standards.

Mr. Pawan Dalmia, chairman of the company has performed exceptionally well by attending board meetings regularly, by taking active participation in the discussion of the agenda and by providing required guidance from time to time to the company for its growth etc.

It was noted that the Board Meetings have been conducted with the issuance of proper notice and circulation of the agenda of the meeting with the relevant notes thereon.

#### **DIRECTOR'S RESPONSIBILITY STATEMENT**

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory, and secretarial auditors and the reviews performed by Management and the relevant Board Committees, including the Audit Committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during the financial year 2016-17. Accordingly, pursuant to Section 134(5) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability, confirm that:

- (a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) 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;
- (c) 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;
- (d) The Directors had prepared the annual accounts on a going concern basis; and
- (e) 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.
- (f) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### **CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES**

There are no materially significant related party transactions made by the company with Promoters, Key Managerial Personnel or any other related parties as defined under the Companies Act, 2013, which may have potential conflict with interest of the company.



## **SUBSIDIARY COMPANIES**

The Company does not have any subsidiary or Joint Venture.

## **LISTING WITH STOCK EXCHANGES:**

The Company confirms that it has paid the Annual Listing Fees for the year 2016-2017 to The SME Platform of BSE Limited where the Company's Shares are listed.

## **VIGIL MECHANISM / WHISTLE BLOWER POLICY**

In line with the provisions of the Section 177(9) of the Act and the regulation 27(2) of LODR with stock exchanges, the Company has adopted Whistle Blower Policy, as part of vigil mechanism to provide appropriate avenues to the Directors and employees to bring to the attention of the management any issue which is perceived to be in violation of or in conflict with the fundamental business principles of the Company.

This vigil mechanism provides for adequate safeguards against victimization of employees and directors who avail of the vigil mechanism and also provide for direct access to the chairperson of the Audit committee, in exceptional cases. The Company Secretary is the designated officer for effective implementation of the policy and dealing with the complaints registered under the policy.

## **AUDITORS' REPORT**

The Auditors' Report does not contain any qualification, reservation or adverse remarks. Notes to Accounts and Auditors remarks in their report are self-explanatory and do not call for any further comments.

## **SECRETARIAL AUDIT REPORT**

The Secretarial Audit is not applicable to the company for the year under review.

## **STATUTORY AUDITOR**

M/s. Anil Hariram Gupta & Co. Chartered Accountant, having (Membership No. 066306) was appointed as Statutory Auditors of the company retires at the ensuing annual general meeting and is eligible for reappointment. As required under the provisions of Section 139 of the Companies Act, 2013, the Company has received a written consent from the auditors to their re-appointment and a certificate to the effect that their re-appointment, if made, would be in accordance with the Companies Act, 2013 and the rules framed there under and that they have satisfied the criteria provided in Section 141 of the Companies Act, 2013.

The Board recommends the re-appointment of M/s. Anil Hariram Gupta & Co., as the statutory auditors of the Company from the conclusion of this Annual General meeting till the conclusion of the next Annual General Meeting.

## **EXTRACTS OF ANNUAL RETURN**

As provided under Section 92(3) of the Act, the extract of the Annual Return in form MGT-9 is annexed herewith as "*Annexure- I*".

## **BUSINESS RISK MANAGEMENT**

Your Company has a structured framework to satisfy that sound policies, procedures and practices are in place to manage the key risks under risk framework of the company. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis.

## **PARTICULARS OF EMPLOYEES**

The information required pursuant to Section 197 read with Rule, 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, will be provided upon request. In terms of Section 136 of the Act, the Report and Accounts are being sent to the Members and others entitled thereto, excluding the information on employees' particulars which is available for inspection by the Members at the Registered Office of the Company during business hours on working days of the Company up to the date of the ensuing Annual General Meeting. If any Member is interested in obtaining a copy thereof, such Member may write to the Company Secretary in this regard and the same will be furnished on request.

### **Particulars of Employees pursuant to section 134(3)(q) of the Companies Act, 2013 read with rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**

1. None of the employees was employed throughout the financial year, which was in receipt of remuneration exceeding Rs. 6,000,000/- per annum or more. Therefore, Rule 5(2)(i) of the captioned Rules is not applicable.
2. None of the employees was employed throughout the financial year, who was in receipt of remuneration exceeding Rs. 500,000/- per month. Therefore, Rule 5(2)(ii) of the captioned Rules is not applicable.
3. No employee is a relative of any director or Key Managerial personnel of the Company.

Therefore, Rule 5(2)(iii) of the captioned Rules is not applicable to any employee.

## **CORPORATE GOVERNANCE**

The Company has complied with the corporate governance requirements as stipulated under Regulation 27(2) of the LODR entered into with the stock exchanges. A separate section on corporate governance is provided, along with a certificate from the auditor confirming the compliance of conditions of Corporate Governance as stipulated under Regulation 27(2) of the LODR entered into with the stock exchanges, is annexed and forms part of this report.

## **MANAGEMENT DISCUSSION & ANALYSIS REPORTS**

The Management Discussion and Analysis Reports is attached which forms part of this Report.

## **POLICY ON PREVENTION, PROHIBITION AND REDRESSAL OF SEXUAL HARASSMENT AT WORK PLACE.**

The Company has a policy of zero tolerance for sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules there under.

The following is the summary of sexual harassment complaints received and disposed during the calendar year.

- No. of complaints received: Nil
- No. of complaints disposed off: Nil

## **CREDIT & GUARANTEE FACILITIES:**

The Company has been availing facilities of Credit and Guarantee as and when required, for the business of the Company from the Axis Bank Ltd .

#### **AUDIT COMMITTEE**

The details pertaining to composition of audit committee are included in the Corporate Governance Report, which forms part of this report. And during the year under review, there were no instances when recommendation of audit committee was not accepted by the board.

#### **POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION AND OTHER DETAILS**

The Company's policy on directors' appointment and remuneration and other matters provided in Section 178(3) of the Act has been disclosed in the corporate governance report, which forms part of the directors' report.

#### **TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND**

Your Company did not have any funds lying unpaid or unclaimed for a period of seven years. Therefore there were no funds which were required to be transferred to Investor Education and Protection Fund (IEPF).

#### **ACKNOWLEDGEMENT**

Your Directors wish to place on record their appreciation of the contribution made by the employees at all levels, to the continued growth and prosperity of your Company.  
Your Directors also wish to place on record their appreciation of business constituents, banks and other financial institutions and shareholders of the Company like SEBI, BSE, NSDL, CDSL, Axis Bank etc. for their continued support for the growth of the Company

**Place: New Delhi**  
**Date: 13/08/2017**

**For and on behalf of the Board**  
**Sd/-**  
**Pawan Dalmia**  
**Managing Director**  
**DIN: 01541707**

**DECLARATION BY DIRECTOR OF AFFIRMATION BY DIRECTORS AND SENIOR MANAGEMENT PERSONNEL OF COMPLIANCE WITH THE CODE OF CONDUCT:**

*The shareholders*

*I, Pawan Dalmia, Managing Director of the Company do hereby declare that the directors and senior management of the Company have exercised their authority and powers and discharged their duties and functions in accordance with the requirements of the code of conduct as prescribed by the company and have adhered to the provisions of the same.*

**Place: New Delhi**  
**Date: 13/08/2017**

**For and on behalf of the Board**  
**Sd/-**  
**Pawan Dalmia**  
**Managing Director**  
**DIN: 01541707**

**Form No. MGT-9**

Extract of Annual Return as on the financial year ended on 31st March, 2017  
[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the  
 Companies (Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS:**

i.	<i>CIN</i>	<i>U74899DL1992PLC048028</i>
ii.	<i>Registration Date</i>	<i>16/03/1992</i>
iii.	<i>Name of the Company</i>	<i>FRANKLIN LEASING AND FINANCE LIMITED</i>
iv.	<i>Category / Sub-Category of the Company</i>	<i>Company Limited by Shares</i>
v.	<i>Address of the Registered office and contact details</i>	<i>Unit/Shop No.205,Second Floor,Aggarwal City Mall Road No.44,Pitampura Delhi -110034 Email: info.franklinleasing@gmail.com</i>
vi.	<i>Whether listed company</i>	<i>Yes/No</i>
vii.	<i>Name, Address and Contact details of Registrar and Transfer Agent, if any</i>	<i>Skyline Financial Services Private Limited D-153A, 1<sup>st</sup> Floor, Okhla Industrial area, Phase-I, New Delhi-110020 Email: virenr@skyline</i>

**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:-

<i>Sr. No.</i>	<i>Name and Description of main products / services</i>	<i>NIC Code of the Product/ service</i>	<i>% to total turnover of the company</i>
<i>1</i>	<i>Financial Services</i>	<i>642</i>	<i>100%</i>

*\* As per national industrial classification- ministry of statics and programme implementation*

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

<i>Sr. No.</i>	<i>Name and Address Of The Company</i>	<i>CIN/GLN</i>	<i>Holding/ Subsidiary /Associate</i>	<i>% of shares held</i>	<i>Applicable Section</i>
<i>1.</i>	<i>Nil</i>	<i>Nil</i>	<i>Nil</i>	<i>Nil</i>	<i>Nil</i>

**IV. SHARE HOLDING PATTERN (equity share capital breakup as percentage of total equity)**

**i. Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year				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	
Promoter									
Indian									
Individual/HUF	-	80000	80000	0.69	80000	-	80000	0.51	-
Central Govt.	-	-	-	-	-	-	-	-	-
State Govt(s)	-	-	-	-	-	-	-	-	-
Bodies Corp	-	4177600	4177600	36.14	4177600	-	4177600	26.47	-
Banks / FI	-	-	-	-	-	-	-	-	-
Any Other	-	-	-	-	-	-	-	-	-
Sub-total(A)(1):-	-	4257600	4257600	36.84	4257600	-	4257600	26.98	-
Foreign	-	-	-	-	-	-	-	-	-
NRIs-Individuals	-	-	-	-	-	-	-	-	-
Other-Individuals	-	-	-	-	-	-	-	-	-
Bodies Corp.	-	-	-	-	-	-	-	-	-
Banks / FI	-	-	-	-	-	-	-	-	-
Any Other....	-	-	-	-	-	-	-	-	-
Sub-total (A)(2):-	-	-	-	-	-	-	-	-	-
Public Shareholding Institutions									
Mutual Funds	-	-	-	-	-	-	-	-	-
Banks / FI	-	-	-	-	-	-	-	-	-
Central Govt.	-	-	-	-	-	-	-	-	-
State Govt.(s)	-	-	-	-	-	-	-	-	-
Venture Capital Funds	-	-	-	-	-	-	-	-	-
Insurance Companies	-	-	-	-	-	-	-	-	-
FIs	-	-	-	-	-	-	-	-	-
Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1)	-	-	-	-	-	-	-	-	-

<b>2. Non institutions</b>									
<b>Bodies Corp.</b>									
(i) Indian	7296000	4800	7300800	63.16	7668800	-	7668800	48.59	
(ii) Overseas	-	-	-		-	-	-	-	
<b>Individuals</b>									
(i) Individual shareholders holding nominal share capital upto Rs. 2 lakh	-	-	-	-	72000	-	72000	0.46	
(ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh	-	-	-	-	3464000	-	3464000	21.95	
Others(Specify)		-	-	-	320000	-	320000	2.03	-
<b>Sub-total (B)(2)</b>	<b>7296000</b>	<b>4800</b>	<b>7300800</b>	<b>63.16</b>	<b>11524800</b>	<b>-</b>	<b>11524800</b>	<b>73.02</b>	<b>-</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>7296000</b>	<b>4800</b>	<b>7300800</b>	<b>63.16</b>	<b>11524800</b>	<b>-</b>	<b>11524800</b>	<b>73.02</b>	<b>-</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Grand Total (A+B+C)</b>	<b>11553600</b>	<b>4800</b>	<b>11558400</b>	<b>100%</b>	<b>15782400</b>	<b>-</b>	<b>15782400</b>	<b>100%</b>	<b>-</b>

## ii. Shareholding of Promoters

Sr. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1.	Confident Financial Advisory Pvt. Ltd.	4177600	36.14	-	4177600	26.47	-	-
2.	Pawan Dalmia	80000	0.69	-	80000	0.51	-	-
	<b>Total</b>	<b>4257600</b>	<b>36.83</b>	<b>-</b>	<b>4257600</b>	<b>26.98</b>	<b>-</b>	<b>-</b>

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

**There has been no change in the promoters holding during the year 2016-17.**

Sr. 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
	<i>At the beginning of the year</i>				
	<i>Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):</i>		<b>NIL</b>		
	<i>At the End of the year</i>				

**(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):**

Sl. No.	Top 10 Shareholders	Shareholding at the beginning of the year 01-04-2016		Shareholding at the End of the year 31-03-2017	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the company
1.	Vistaar Infra Property Private Limited	2257450	19.53	2257450	14.30
2.	Kaksh Impex Private Limited	2231500	19.30	2231500	14.14
3.	Surakshit Merchants Private Limited	2166400	18.74	2166400	13.73
4.	Indivar Realtors Private Limited	228750	1.98	228750	1.45
5.	Shivmangal Stock Management Private Limited	217800	1.88	217800	1.38
6.	Dhansakti Suppliers Private Limited	178100	1.54	178100	1.13
7.	Msb E-Trade Securities Limited	-	-	224000	1.42

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

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
	<i>At the beginning of the year</i>	80000	0.69	80000	0.69



<i>Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):</i>	<i>NIL</i>	<i>NIL</i>	<i>NIL</i>	<i>NIL</i>
<i>At the End of the year</i>	<i>80000</i>	<i>0.69</i>	<i>80000</i>	<i>0.69</i>

**V. INDEBTEDNESS**

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

	<i>Secured Loans excluding deposits</i>	<i>Unsecured Loans</i>	<i>Deposits</i>	<i>Total Indebtedness</i>
<i>Indebtedness at the beginning of the financial year</i>				
<i>i) Principal Amount</i>	-	-	-	-
<i>ii) Interest due but not paid</i>	-	-	-	-
<i>iii) Interest accrued but not</i>	-	-	-	-
<i>Total (i+ii+iii)</i>	-			
<i>Change in Indebtedness during the financial year</i>				
<i>- Addition</i>	-	-	-	-
<i>- Reduction</i>	-	-	-	-
<i>Net Change</i>	-			
<i>Indebtedness at the end of the financial year</i>				
<i>i) Principal Amount</i>	-	-	-	-
<i>ii) Interest due but not paid iii) Interest accrued but not due</i>	-	-	-	-
<i>Total (i+ii+iii)</i>	<i>NIL</i>	<i>NIL</i>	<i>NIL</i>	<i>NIL</i>

**REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

**A. Remuneration to Managing Director, Whole-time Directors and/or Manager**

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

**B. Remuneration to other directors:**

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

**C. Remuneration to Key Managerial Personnel Other Than MD /Manager /WTD**

<b>Sl. No.</b>	<b>Particulars of Remuneration</b>	<b>Key Managerial Personnel</b>			
		<b>CEO</b>	<b>Company Secretary</b>	<b>CFO</b>	<b>Total</b>
1.	Gross salary per month (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961  (b) Value of perquisites u/s 17(2) Income-tax Act, 1961  (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	—	20000	-	20,000/-
2.	Stock Option	NIL	NIL	NIL	NIL
3.	Sweat Equity	NIL	NIL	NIL	NIL
4.	Commission - as % of profit - others, specify...	NIL	NIL	NIL	NIL
5.	Others, please specify	NIL	NIL	NIL	NIL
6.	Total per month	NIL	20000	NIL	20,000/-

**VI. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:**

There were no penalties / punishment / compounding of offences for breach of any section of Companies Act against the Company or its Directors or other officers in default, if any, during the year.

**For and on behalf of the Board**

**Sd/-**

**Pawan Dalmia  
Managing Director  
DIN: 01541707**

**Place: New Delhi**

**Date : 13/08/2017**

# MANAGEMENT DISCUSSION AND ANALYSIS REPORT

## OVERVIEW

Our Company Was incorporated as Franklin Leasing and Finance Private Limited on March 16, 1992 under the companies act, 1956, bearing registration No. 048028 having its registered office at Delhi. Subsequently the company became the Public Limited Company pursuant to a special resolution passed by the members of the company at the EGM held on September 10, 2013 and the name of the company was changed to Franklin Leasing and Finance Limited. A fresh Certificate of Incorporation consequent to a public Limited Company was issued on February 13, 2014 by ROC, Delhi.

Our Company is NBFC Registered with RBI to carry NBFC activities under section 45-IA of the Reserve Bank of India Act, 1934 bearing Registration No. B-14.02383 dated May 22, 2001.

The year 2016-17 began with several changes on the macroeconomic front, including rising inflation, dwindling industrial output and a falling rupee. The enactment of the GST legislation has been a milestone reform that will create a win-win environment for all stakeholders and heralds an integrated and productive economy, and is expected to further boost economic growth. However, there could be temporary transition challenges during the cut-over

## INDUSTRY STRUCTURE & DEVELOPMENTS

This section of the Annual Report has been included in adherence to the spirit enunciated in the Code of Corporate Governance approved by the Securities and Exchange Board of India. Shareholders and Readers are cautioned that in the case of data and information external to the Company, though the same are based on sources believed to be reliable, no representation is made on its accuracy or comprehensiveness. Further, utmost care has been taken to ensure that the opinion expressed therein contain its perceptions on most of the important trends having a material impact on the Company's operations.

We are a Non- Deposit taking Non- Systematically Important Non- Banking Finance Company (NBFC-ND-NSI) engaged primarily in the business of advancing loans and investing/trading in securities. The Company undertakes no obligation to publicly update or revise any of the opinions or forward-looking statements expressed in his report, consequent to new information, future events, or otherwise. Estimation and expectation made in the Report may differ from actual performance due to various Economic conditions, Government Policies and other related factors. We have been running on a modest operating scale till the mid of 2016-2017. However the company from now onwards has commenced a process of improving our internal systems including but not limited to allocation strategies, Financial Discipline and better utilizations of our fund based portfolio.

Goods & Services Tax (GST) will stand to benefit as entertainment tax will fall under the ambit of GST and input credits will be available to all segments across the board.

The keen emphasis laid by the central government on the ease of doing business and "Make in India" initiative led to higher FDI inflows. However, economic growth in 2017-2017 is expected to be higher which augurs well for our industry.

## INDUSTRY DEVELOPMENT:

The NBFCs show moderation growth in asset management, rising delinquency resulting in higher provisionary thereby impacting profitability. However, comfortable capitalization level and conservative liquidity management continues to provide comfort to the credit profile of well run of NBFCs inspite of the impact of the profitability.

## **GOODS AND SERVICE TAX**

Goods and Services Tax (GST) is a landmark reform which will have a lasting impact on the economy and on businesses. Implementation of a well-designed GST model that applies to the widest possible base at a low rate can provide significant growth stimulus to the business and contribute to the Prime Minister's mission of 'Make in India'. Your Company has been preparing for migrating to GST for the past year; changes across IT systems, Supply Chain and operations have been made keeping in mind the sweeping changes that GST would bring in. While there are a few areas that need to be addressed, the Government has announced an intention to go live on GST on 1st July, 2017 and your Company will be ready for this transformative reform. There were some big positives in India too that would lay the foundation for future growth.

The biggest among them being the growing consensus between all parties to roll out the combined Goods & Services Tax (GST). With the Constitution Amendment Bill for Goods and Services Tax being approved by the President of India post its passage in the Parliament, India moved a step closer to creating a unified taxation structure. GST is bound to usher in efficiencies in the system via ease of doing business (one tax rate subsuming all other taxes), thereby leading to an improved business environment. It will help curtail the cascading effect of multiple taxes and enable faster movement of goods across the country. Moreover, GST implementation is likely to have some temporary impact due to probable downstocking in the trade channels and likely conversion from unorganized to organized

## **BUSINESS STRENGTH:**

- Well Qualified and Experienced Promoter

Our Company is backed by a well qualified and experienced promoter. We believe that the past experience and industry networks of our promoter/ director will help us in achieving our key business strategies.

- Long Standing Track-record and Established relationships

Our Company received its NBFC Registration in the year 2001. Hence, the company has been in the business of providing short term as well as longer duration's loan and advances in the North Indian region for around a decade. Our newly induced Promoter/ Director- Mr. Pawan Dalmia along with our other directors proposes to utilise the readily available database of clients as well as long standing relationships with capital Market Players to ensure effective utilisation of our assets and improve the overall operational and financial efficiencies of the company.

## **BUSINESS STRATEGY:**

- Improve the Investment process

Our Company has in the past made losses while investing and trading in securities. The Company will continue to trade and invest in stock Markets and other avenues; however, we intend to improve our internal systems and processes in order to maximize the risk adjusted returns of the available assets. Further we intend to assess better market opportunities for loans and advances and aim at diversifying the customer base in order to reduce per account risks.

- Increase Our Client Datatbase

The Company believes that business is a by-product of relationship. Since, most of our loans are short term as well as unsecured in nature, this business model is heavily reliant on client relationship that are established over period of time. The company believes that a long term client relationship with large client fetches better dividends. The company intends to establish strategic alliances and share risk with companies whose resources, skills and strategies are complementary to the company's business and are likely to enhance its opportunities.

The company wants to expand its portfolio of products and services by introducing products such as Loans against Property, IPO Funding, Financial and management Consultancy in addition with the existing products of Unsecured ICD Loans and personal loans. We plan to continue to sell our products and services to our existing corporate client base and further target other High Net Worth Individuals and firms with impeccable credit track record to whom the company may advance funds both secured/unsecured based on the risk profile and as envisaged in the loan policy of the company.

- Focus on other geographical areas and key cities to increase our market share

Our company intends to extend its financing services in other geographical areas in India and target the cities that are financial centres. In line with the strategic objective, we have recently opened our new full time office in Kolkata. Further as and when the opportunities arises we shall explore opening of offices/ centres at other financial centres such as Mumbai, Ahmedabad & Chennai.

## **OPPORTUNITIES:**

FRANKLIN LEASING & FINANCE LIMITED, being a financial Company, is exposed to specific risks that are particular to its business and environment within which it operates including its interest rate volatility, investment cycle, credit risk, market risk and operational risk. The measurement, monitoring management of risk remains key focus areas for the company. The company has laid down stringent credit norms through the Lending Policy Framework approved by the Board. It maintains a conservative approach and manages the credit risk through prudent selection of clients, delegation of appropriate lending powers and by stipulating various prudential limits. In retail loan businesses like ours, overall portfolio diversification and reviews also facilitate mitigation and management. The enactment of the GST legislation has been a milestone reform that will create a win-win environment for all stakeholders and heralds an integrated and productive economy, and is expected to further boost economic growth. However, there could be temporary transition challenges during the cut-over

## **THREATS:**

Growth of the Company's asset book, quality of assets and ability to raise funds depend significantly on the economy. Unfavourable events in the Indian economy can affect consumer sentiment and in turn impact consumer decision to purchase financial products. Competition from a broad range of financial services providers, unstable political environment and changes in Government policy / regulatory framework could impact the Company's operations.

## **OUTLOOK:**

The markets will continue to grow and mature leading to differentiation of products and services. Each financial intermediary will have to find its niche in order to add value to consumers. The Company is cautiously optimistic in its outlook for the year 2016-17.

- ✚ Asset quality of NBFC Sector:  
The GNPA of the NBFC sector as a percentage of total assets increased in March..
- ✚ Capital Adequacy:

As per the extant guidelines, NBFC's are required to maintain a minimum capital consisting of Tier-I and Tier-II capital, of not less than 15 percent of their aggregate risks-weighted assets.

#### **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.

#### **BUSINESS OVERVIEW & INDUSTRY DEVELOPMENTS**

The company was incorporated as Franklin Leasing And Finance Limited on March 16, 1992 under the companies act, 1956 bearing Registration No. 048028 having its registered office in Delhi. Our Company is NBFC registered with RBI to carry on NBFC activities under section 45-IA of the Reserve Bank Of India Act, 1934 bearing registration No. B-14.02383 dated May 22, 2001. We are Deposit taking Non- Systematically Important Non- Banking Finance Company (NBFC-ND-NSI) engaged primarily in the business of advancing loans and investing/trading in securities. The main object of the company is to cater to the growing industry for increasing its investment strategy. The company is planning to increase its investment strategy for the growth of the business.

As regards developments in the industry and your company's performance for the year under review in relation to those developments, the same has been explained in greater details in Directors Report under Performance Review.

#### **RISKS AND CONCERNS**

Risk is an inherent part of any business. There are various types of risks, which threat the existence of a company like Credit Risk, Market Risk, Operational Risk, Liquidity Risk, Interest Rate Risk, Strategic Risk, Regulation Risk etc. Your Company aims at enhancing and maximizing shareholders value by achieving appropriate trade-off between risk & returns.

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

The Company has a proper and adequate internal control system to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition and that all transactions are authorized, recorded and reported correctly.

The internal control is supplemented by an extensive programme of internal audits, review by management and documented policies, guidelines and procedures. The internal control is designed to ensure that financial and other records are reliable for preparing financial statements and other data and for maintaining accountability of assets.

#### **DISCUSSIONS ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE**

The Financial Performance of the company for the year under review is disclosed in the Directors report. Please refer to Directors' Report for the detail study on the performance review of the company.

#### **HUMAN RESOURCES AND INDUSTRIAL RELATIONS**

The industrial relations remained cordial throughout the year. The employees of the Company have extended a very productive cooperation in the efforts of the management to carry the Company to greater heights. Continuous training down the line is a normal feature in the Company to upgrade the skills and knowledge of the employees and workmen of the Company.

Your Company has been a thought leader in the area of big data and analytics as a tool to drive sustainable growth. The Company uses intelligent analytics at the back end, to deliver better on-shelf availability in stores. Your Company continues to strengthen this capability to stay ahead of the competition. In FY 2016-17, a GST Awareness Campaign was driven through the social learning platform and was provided to 19000+ employees, to build knowledge around Goods and Services Tax and how it impacts citizens of India and the businesses

#### **FORTHCOMING STATEMENT**

The statements made above may be construed as Forward Looking Statements within the meaning of the applicable laws and regulations. Actual performance of the Company may vary substantially depending upon the business structure and model from time to time. Important external and internal factors may force a downtrend in the operations of the Company.

Recently, take-out financing arrangement has been permitted through ECB, under the approval route, for refinancing of rupee loans availed from domestic bank by eligible borrowers in the port, airport, roads including bridges and power sectors for development of new projects.

To conclude, concrete policy and regulatory measure need to be undertaken. Some of the most important include measures taken to increase the breadth and the depth of the corporate bond markets in India.



# CORPORATE GOVERNANCE REPORT



The Directors present the Company's Report on Corporate Governance pursuant to Regulation 27(2) of the SEBI (LODR) Regulation, 2016 of the Listing Agreement with Stock Exchanges.

## I. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

Franklin Leasing & Finance Limited defines Corporate Governance as a systemic process by which companies are directed and controlled to enhance their wealth-generating capacity. The Company's philosophy on corporate governance ensures fiscal accountability, ethical corporate behavior and fairness to all stakeholders comprising regulators, employees, customers, vendors, investors and the society at large. The Company has a strong legacy of fair, transparent and ethical governance practices. SITCL Corporate Governance structure, systems and processes are based on two core principles:

- (i) Management must have the executive freedom to drive the enterprise forward without undue restraints, and
- (ii) This freedom of management should be exercised within a framework of effective accountability. SITCL's believes that any meaningful policy on Corporate Governance must empower the executive management of the Company. At the same time, Governance must create a mechanism of checks and balances to ensure that the decision-making powers vested in the executive management are used with care and responsibility to meet stakeholders' aspirations and societal expectations.

## II. BOARD OF DIRECTORS:

As on March 31, 2017, the Company has four directors out of which 3 Directors (i.e. 60%) are non-executive - independent directors. The composition of the board is in conformity with Regulation 27(2) of SEBI (LODR) Regulations, 2016 entered into with the stock exchanges.

None of the directors on the board hold directorships in more than ten public companies. Further, none of them is a member of more than ten committees or chairman of more than five committees across all the public companies in which he is a director. Necessary disclosures regarding committee positions in other public companies as on March 31, 2017 have been made by the directors. None of the directors are related to each other.

All the Independent directors are non-executive directors as defined under Regulation 27(2) of the SEBI (LODR) Regulation, 2016 entered into with the Stock Exchanges. The maximum tenure of the independent directors is in compliance with the Companies Act, 2013 ("Act"). All the Independent Directors have confirmed that they meet the criteria as mentioned under c Regulation 27(2) of the SEBI (LODR) Regulation, 2016 and Section 149 of the Act.

The names and categories of the directors on the board, their attendance at board meetings held during the year and the number of directorships (including directorship held in private companies) and committee

chairmanships / memberships held by them in other public companies as on March 31, 2017 are given herein below. Chairmanships / Memberships of board committees shall include only audit committee and stakeholders' relationship committee.

Name of the Director	Category	No. of Directorship in other Public (Including Pvt. Ltd.) Companies	Number of Committee positions held in other public companies	
			Chairman	Member
Mr. Pawan Dalmia DIN: 01541707	Chairman & Managing Director	04	NIL	NIL
Mr. Ramesh Kumar Dalmia DIN: 03257468	Independent Director (Non-Executive)	02	NIL	NIL
Ms. Sunitha Gupta DIN- 07133097	Independent Director (Non-Executive)	Nil	NIL	NIL

**i. Number of Board Meetings:**

During the year ended March 31, 2017, Six Board Meeting were held on 20.05.2016, 21.07.2016, 09.08.2016, 12.11.2016, 13.02.2017 and 28.03.2017 and the gap between two meetings did not exceed 120 days.

The necessary quorum was present for all the meetings.

**ii. Separate Meeting of Independent Directors:**

As stipulated under Schedule IV of the Companies Act, 2013 and the Listing Agreement, a separate meeting of the Independent Directors of the Company was held on March 18, 2017 to review the performance of Non-independent Directors (including the Chairman) and the Board as whole. The Independent Directors also reviewed the quality, content and timeliness of the flow of information between the Management and the Board and it's Committees which is necessary to effectively and reasonably perform and discharge their duties.

**iii. Evaluation of the Board's Performance:**

Pursuant to the provisions of the Companies Act, 2013 and Regulation 27(2) of SEBI (LODR) Regulation, 2015, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit Committee and Nomination & Remuneration Committee.

The result of the evaluation done by Independent Directors was reported to the Chairman of the Board. It was reported that the performance evaluation of the Board & Committee's was satisfactory. The Chairman of the Board provided feedback to the Directors on an individual basis, as appropriate. The Directors expressed their satisfaction with the evaluation process.

**iv. Prevention of Insider Trading Code:**

The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the

Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. The Board is responsible for implementation of the Code.

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

### III. COMMITTEES OF THE BOARD

In accordance with the requirement of the Listing Regulation entered into with the Stock Exchanges read with provisions of the Companies Act, 2013, the Company has constituted 3 Committees, viz.

A. *Audit Committee;*

B. *Nomination and Remuneration Committee;*

C. *Shareholders Grievances Committee;* the details of which are as under:

#### **A) AUDIT COMMITTEE:**

In line with the provisions of the Regulation 27(2) of the SEBI (LODR) Regulation, 2015 of the Listing Agreement with Stock Exchanges read with Section 177 of the Companies Act, 2013, the Company constituted Audit Committee.

##### ***i. Terms of Reference:***

The terms of reference of the Audit Committee are as per the guidelines set out in the listing agreement with the stock exchanges read with section 177 of the Companies Act, 2013. These broadly include:

- (i) Develop an annual plan for Committee;
- (ii) Review of financial reporting processes;
- (iii) Review of risk management, internal control and governance processes;
- (iv) Discussions on quarterly, half yearly and annual financial statements;
- (v) Interaction with statutory, internal and cost auditors;
- vi) Recommendation for appointment, remuneration and terms of appointment of auditors; and
- (vii) Risk management framework concerning the critical operations of the Company.

***In addition to the above, the Audit Committee also reviews the following:***

- a) Matter included in the Director's Responsibility Statement.
- b) Changes, if any, in the accounting policies.
- c) Major accounting estimates and significant adjustments in financial statement.
- d) Compliance with listing and other legal requirements concerning financial statements.
- e) Disclosures in financial statement including related party transactions,
- f) Qualification in draft audit report.
- g) Scrutiny of inter-corporate loans & investments.
- h) Management's Discussions and Analysis of Company's operations.
- i) Valuation of undertakings or assets of the company, wherever it is necessary.
- j) Periodical Internal Audit Reports and the report of Fraud Risk Management Committee.
- k) Findings of any special investigations carried out either by the Internal Auditors or by the external investigating agencies.
- l) Letters of Statutory Auditors to management on internal control weakness, if any.

- m) Major non routine transactions recorded in the financial statements involving exercise of judgment by the management.
- n) Recommend to the Board the appointment, re-appointment and, if required the replacement or removal of the statutory auditors and cost auditors considering their independence and effectiveness, and recommend the audit fees.
- o) Subject to review by the Board of Directors, review on quarterly basis, Related Party Transactions entered into by the Company pursuant to each omnibus approval given.

**ii. Composition and Meetings:**

The Audit Committee consists of three Independent Directors and one Executive Director. All members of the Audit Committee are financially literate and they have accounting or related financial management expertise. The Audit Committee meets 2 times during the financial year ended 31st March, 2017. The attendance records of the members at the meeting were as follows:

Sr. No.	Name	Designation	No of Meetings held/attended
1.	Mr. Pawan Dalmia	Chairman	2 of 2
2.	Mr. Ramesh Kumar Dalmia	Member	2 of 2
3.	Ms. Sunitha Gupta	Member	2 of 2

**B) NOMINATION & REMUNERATION COMMITTEE:**

The Board of Directors of the Company has constituted a Nomination & Remuneration Committee (N & R Committee), as per the provisions of Section 178 of the Companies Act, 2013 and Regulation 27(2) of SEBI (LODR) Regulations, 2015. The object of Nomination & Remuneration Committee is to recommend/ review the remuneration of Managing Directors/Whole-Time Directors. The remuneration policy of the Company is directed towards rewarding performance and attracting new talents/retaining them. While deciding the remuneration, the Committee takes into account the financial position of the Company, trend in the Industry, Appointee's qualification, experience, past performance, past remuneration etc.

**i. Terms of Reference:**

The terms of reference of the Nomination & Remuneration Committee are as under:

1. To identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and to recommend to the Board their appointment and/ or removal.
2. To carry out evaluation of every director's performance.
3. To formulate the criteria for determining qualifications, positive attributes and independence of a director, and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.
4. To formulate the criteria for evaluation of Independent Directors and the Board.
5. To devise a policy on Board diversity.
6. To recommend/review remuneration of the Managing Director(s) and Whole-time Director(s) based on their performance and defined assessment criteria.
7. To administer, monitor and formulate detailed terms and conditions of the Employees' stock Option Scheme including:
  - i. the quantum of options to be granted under Employees' Stock Option Scheme per employee and in aggregate;

- ii. the conditions under which option vested in employees may lapse in case of termination of employment for misconduct;
- iii. the exercise period within which the employee should exercise the option, and that the option would lapse on failure to exercise the option within the exercise period;
- iv. the specified time period within which the employee shall exercise the vested options in the event of termination or resignation of an employee;
- v. the right of an employee to exercise all options vested in him at one time or at various points of time within the exercise period;
- vi. the procedure for making a fair and reasonable adjustment to the number of options and to the exercise price in case of corporate actions, such as rights issues, bonus issues, merger, sale of division and others;
- vii. the granting, vesting and exercising of options in case of employees who are on long leave; and
- viii. the procedure for cashless exercise of options.

8. To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.

9. To perform such other functions as may be necessary or appropriate for the performance of its duties.

**ii. Composition of the Nomination & Remuneration Committee is as follows:**

Sl. No.	Name	Designation	Category
1.	Mr. Pawan Dalmia	Member	Executive
2.	Mr. Ramesh Kumar Dalmia	Member	Non-Independent/Non Executive
3.	Ms. Sunitha Gupta	Chairman	Independent/Non Executive

This Committee has been formed to carry out the function as contained in the Listing Agreement and under the provisions of Section 178 of the Companies Act, 2013 and shall enjoy necessary powers and authority reviews commensurate with its functions.

**iii. Policy for selection and appointment of Directors and their Remuneration:**

The Nomination & Remuneration (N&R) Committee has adopted a Charter which, inter alia, deals with the manner of selection of Board of Directors and CEO & Managing Director and their remuneration. This Policy is accordingly derived from the said Charter.

**a) Criteria of selection of Non Executive Directors**

The Non-Executive Directors shall be of high integrity with relevant expertise and experience so as to have a diverse Board with Directors having expertise in the fields of manufacturing, marketing, finance, taxation, law, governance and general management.

In case of appointment of Independent Directors, the N&R Committee shall satisfy itself with regard to the independent nature of the Directors vis-à-vis the Company so as to enable the Board to discharge its function and duties effectively.

The N&R Committee shall ensure that the candidate identified for appointment as a Director is not disqualified for appointment under Section 164 of the Companies Act, 2013.

The N&R Committee shall consider the following attributes / criteria, whilst recommending to the Board the candidature for appointment as Director:

- i) Qualification, expertise and experience of the Directors in their respective fields;
- ii) Personal, Professional or business standing;

iii) Diversity of the Board.

In case of re-appointment of Non Executive Directors, the Board shall take into consideration the performance evaluation of the Director and his engagement level.

**b) Remuneration Policy:**

The Non-Executive Directors shall be entitled to receive remuneration by way of sitting fees, reimbursement of expenses for participation in the Board Meetings.

A Non Executive Director shall be entitled to receive sitting fees for each meeting of the Board attended by him, of such sum as may be approved by the Board of Directors within the overall limits prescribed under the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

**iv. a) Chief Executive Officer (CEO)/Managing Director (MD) & Chief Financial Officer (CFO) - Criteria for selection / appointment:**

For the purpose of selection of the CEO/MD & CFO, the Nomination and Remuneration Committee shall identify persons of integrity who possess relevant expertise, experience and leadership qualities required for the position and shall take into consideration recommendation, if any, received from any member of the Board.

The Committee will also ensure that the incumbent fulfils such other criteria with regard to age and other qualifications as laid down under the Companies Act, 2013 or other applicable laws.

**b) Remuneration for the CEO/Managing Director & CFO:**

At the time of appointment or re-appointment, the CEO/Managing Director & CFO shall be paid such remuneration as may be mutually agreed between the Company (which includes the N&R Committee and the Board of Directors) and the CEO/Managing Director & CFO within the overall limits prescribed under the Companies Act, 2013.

The remuneration shall be subject to the approval of the Members of the Company in General Meeting.

The remuneration of the CEO/Managing Director & CFO comprises only of fixed component. The fixed component comprises salary, allowances, perquisites, amenities and retiral benefits.

**c) Remuneration Policy for the Senior Management Employees:**

In determining the remuneration of the Senior Management Employees (i.e. KMPs and Executive Committee Members) the N&R Committee shall ensure the relationship of remuneration and performance benchmark is clear.

The Managing Director will carry out the individual performance review based on the standard appraisal matrix and shall take into account the appraisal score card and other factors mentioned herein-above, whilst recommending the annual increment and performance incentive to the N&R Committee for its review and approval.

**C) SHAREHOLDERS / INVESTORS GRIEVANCES & SHARE TRANSFER COMMITTEE:**

The Stakeholders' Relationship Committee is comprises of Ms. Sunitha Gupta as the Chairman and Mr. Ramesh Kumar Dalmia and Mr. Pawan Dalmia as members of the Committee.

- The Stakeholder Relationship / Share Transfer / Transmission Committee have been formed to look into share transfer and related applications received from shareholders, with a view to accelerate the transfer procedures.
- The Committee inter alia considers applications for transfer, transmission, split, consolidation of share certificates and cancellation of any share certificate in compliance with the provisions in this regard.

The Committee is authorised to sign, seal or issue any new share certificate as a result of transfer, consolidation, splitting or in lieu of share certificates lost, defaced or destroyed.

The role of the Committee is as follows:

- Consider and resolve the grievances of shareholders of the Company with respect to transfer of shares, non-receipt of annual report, non-receipt of declared dividend, etc;
- Ensure expeditious share transfer process in line with the proceedings of the Share Transfer Committee;
- Evaluate performance and service standards of the Registrar and Share Transfer Agent of the Company.

## **OTHER COMMITTEES**

### **i. VIGIL MECHANISM/WHISTLE BLOWER POLICY:**

In pursuant to the provisions of section 177(9) & (10) of the Companies Act, 2013 and Regulation 27(2) of SEBI (LODR) Regulations, 2015 and a Vigil Mechanism for directors and employees to report genuine concerns has been established. The Vigil Mechanism Policy has been uploaded on the website of the Company at [www.symbioxinvestment.org](http://www.symbioxinvestment.org)

## **IV. GENERAL BODY MEETINGS:**

### **i) General Meetings**

#### **a. Annual General Meeting:**

The details of the last three Annual General Meetings (AGMs) of the Company are as under:

<b><i>Financial Year</i></b>	<b><i>Date &amp; Time</i></b>	<b><i>Meeting</i></b>	<b><i>Venue</i></b>
2015-16	30 <sup>th</sup> September, 2016 at 2.30 P.M	AGM	Unit No. 205, 2 <sup>nd</sup> Floor, Aggarwal City Mall, Road No. 44, Pitamber, Delhi-110034
2015-16	6 <sup>th</sup> February, 2016 at 11.00 A.M	EGM	Unit No. 205, 2 <sup>nd</sup> Floor, Aggarwal City Mall, Road No. 44, Pitamber, Delhi-110034
2014-15	10 <sup>th</sup> January, 2015 at 11.30 A.M	EGM	Unit No. 205, 2 <sup>nd</sup> Floor, Aggarwal City Mall, Road No. 44, Pitamber, Delhi-110034
2014-15	30 <sup>th</sup> September, 2015 at 10.00 A.M	AGM	Unit No. 205, 2 <sup>nd</sup> Floor, Aggarwal City Mall, Road No. 44, Pitamber, Delhi-110034
2013-14	30 <sup>th</sup> September, 2014, at 11.00 A.M	AGM	G-10/66, ground floor, sector-15, Rohini, Delhi-110085

### **ii) Special Resolution:**

During the Financial Year 2015-16, the members of the Company has passed One special resolution.

### **iii) Details of Resolution passed through postal ballot:**

During the year under review, no special resolution was passed through the postal ballot.

## **V. DISCLOSURES:**

### **i. RELATED PARTY TRANSACTIONS:**

There are no materially significant transactions with the related parties viz. Promoters, Directors or the Management, or their relatives or Subsidiaries that had potential conflict with the Company's interest. Suitable disclosure as required by the Accounting Standard (AS- 18) has been made in the Annual Report.

There are no pecuniary relationships or transactions of Non-Executive Directors vis-à-vis the Company which has potential conflict with the interests of the Company at large.

- ii. No penalties or strictures have been imposed on the Company by Stock Exchange or SEBI or any statutory authority on any matter related to capital markets during the last three years.
- iii. The Company has in place a mechanism to inform the Board members about the Risk assessment and mitigation plans and periodical reviews to ensure that the critical risks are controlled by the executive management.
- iv. During the year ended 31st March,2017 the Company does not have any material listed/unlisted subsidiary companies as defined in Regulation 27(2) of the SEBI (LODR) Regulation, 2015 of the Listing Agreement with Stock Exchanges.
- v. The Independent Directors have confirmed that they meet the criteria of 'Independence' as stipulated under Clause 49 of the Listing Agreement.

#### **VI. MD/CFO CERTIFICATION:**

The MD and Chief Financial Officer (CFO) Mr. Raju Kumar Ram have issued certificate pursuant to the provisions of Regulation 27(2) of the SEBI (LODR) Regulation, 2015 of the Listing Agreement with Stock Exchanges certifying that the financial statements do not contain any materially untrue statement and these statements represent a true and fair view of the Company's affairs. The said certificate is attached and forms part of this Report.

#### **VII. MEANS OF COMMUNICATION:**

The quarterly, half yearly and annual results of the Company are sent to the stock exchanges immediately after they are approved by the Board and are also published in one vernacular news paper and one English news paper. The results are also displayed on the company's website [www.symbioxinvestment.org](http://www.symbioxinvestment.org). The results are published in accordance with the guidelines of the Stock Exchanges. The Management Discussion And Analysis Report forms part of the Company's Annual report.

#### **VIII. GENERAL'S SHAREHOLDERS INFORMATION:**

##### ***a) Annual General Meeting:***

<b>Day &amp; Date</b>	: Saturday, 16 <sup>th</sup> September, 2017
<b>Time</b>	: 2.30 p.m.
<b>Venue</b>	: Unit No. 205, 2 <sup>nd</sup> floor, Aggarwal City Mall, Road No.44, Pitampura, Delhi- 110034.
<b>Book Closure Date</b>	: 24 <sup>th</sup> September, 2017 to 30 <sup>th</sup> September, 2017 (Both day Inclusive)

As required under Regulation 27(2) of the SEBI (LODR) Regulation, 2015 of the Listing Agreement with Stock Exchanges, particulars of directors seeking appointment / re-appointment at the forthcoming AGM are given in the Annexure to the notice of the AGM to be held on September 30, 2017.



**b) Financial Calendar:**

**Calendar for Financial Year ended 31st March, 2017:**

The meetings of Board of Directors for approval of quarterly financial results during the Financial Year 2017-18 were held on the following dates:

Half Year ending September, 2017	By 14th November, 2017
Year ending March, 2018	By 30th May, 2018
Annual General Meeting	By 16th September, 2017

**c) Book Closure:**

The Register of Members and Transfer Books of the Company will remain closed from 10<sup>th</sup> day of September, 2017 to 16<sup>th</sup> day of September, 2017 (both days inclusive).

**d) Listing in stock exchanges and stock codes:**

The names of stock exchanges at which the equity shares are listed and respective stock codes are as under:

Name of the Stock Exchanges	Stock Code/ Security Code
The Bombay Stock Exchange Limited	539839

**e) The ISIN number for the Company equity share: INE399S01010**

**f) CIN: U74899DL1992PLC048028**

**g) Outstanding GDR's/ADR's/Warrant's/Convertible instruments and their impact on equity: NIL**

**h) Market Price Data :**

The Shares of the Company were not listed for trading during the year 2016-2017.

**i) E-Voting :**

In terms of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration Rule), 2014 framed there under and as per regulation 44 the Listing Agreement, the Company is providing e-voting facility to its Members in respect of all Members' resolutions proposed to be passed at this Annual General Meeting.

**j) Share Transfers Agent:**

**Name and Address** : Skyline Financial Services Private Limited  
: D-153A, 1<sup>st</sup> Floor, Okhla Industrial Area,  
Phase-I, New Delhi-110020  
**Telephone** : +91-11-64732681-88  
**Fax** : +91-11-26812682  
**E-mail ID** : viren@skylinerta.com; admin@skylinerta.com  
**Website** : <http://www.skylinerta.com/>

**k) Share Transfer System:**

All physical share transfers are effected within 15 days of lodgement, subject to the documents being in order.

**• Shareholding Pattern:**

The shareholding of Distribution of shareholders as on 31st March, 2017 is given below:

Ordinary Shares held	Number of shareholders	% of shareholders	Number of shares held	% of shares held
Upto 5000	NIL	NIL	NIL	NIL
5001-10000	NIL	NIL	NIL	NIL
10001-20000	NIL	NIL	NIL	NIL
20001-30000	NIL	NIL	NIL	NIL
30001 -40000	NIL	NIL	NIL	NIL
40001-50000	1	1.2	48000	0.03
50001-100000	9	10.11	720000	0.46
100001 and above	79	88.76	157056000	99.51
<b>Total</b>	<b>10</b>	<b>100.00</b>	<b>157824000</b>	<b>100.00</b>

**• Categories of Shareholders as on March 31, 2017**

Sl. No.	Category	No. of shares held	% of shareholding
1	Promoters & Promoter Group	4257600	26.98
2	Public - Bodies Corporate	7668800	48.59
3	Public - Indian public	3536000	22.41
4	Public – Others	320000	2.03
	<b>TOTAL</b>	<b>15782400</b>	<b>100.00</b>

**l) Dematerialisation of shares and liquidity:**

For the purpose of providing Dematerialisation & Liquidity facility to its shareholders, Company admitted its securities in the Depository System of Central Depository Services (India) Limited (CDSL). Under the depository system, the international securities identification number (ISIN) allotted to the Company's shares is INE399S01010.

As on 31st March, 2017, all the shares of the Company were in Physical Form. However as on the date of this report, the shares of the promoters have been dematerialised and Company has taken necessary steps by informing its shareholders for the same.

**m) Address for correspondence:**

**FRANKLIN LEASING AND FINANCE PRIVATE LIMITED**

**Add.:** Unit No. 205, 2<sup>nd</sup> Floor, Aggarwal City Mall, Road No. 44,  
pitampura, Delhi-110034

**Email Id:** info.franklinleasing@gmail.com

**Website:** www.franklinleasing.in

## **CEO & CFO CERTIFICATION**

**To**  
**The Board of Directors**  
**FRANKLIN LEASING AND FINANCE PRIVATE LIMITED**

I have reviewed the financial statements and the cash flow statement of FRANKLIN LEASING AND FINANCE PRIVATE LIMITED for the financial year ended 2015-16 and to the best of my Knowledge and belief, I state that:

- i. these statements do not contain any materially untrue statements or omit any material facts 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.
- A. There are, to the best of my knowledge and belief, no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's Code of Conduct.
- B. I accept responsibility for establishing and maintaining internal controls for financial reporting of the Company and for evaluating the effectiveness of the same over financial reporting of the Company and I have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which I am aware and the steps I have taken to rectify these deficiencies.
- C. I have also indicated to the Auditors and the Audit Committee:
- i. Significant changes, if any, in the Internal Controls over financial reporting during the year;
  - ii. Significant changes, if any, in accounting policies made during the Year and that the same have been disclosed in the notes to the financial statements; and
  - iii. Instances of significant fraud of which I 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.

**Place:** Kolkata

**Date:** 13/08/2017

**Sd/-**  
Raju Kumar Ram  
Chief Financial Officer

## AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To,  
The Members  
**FRANKLIN LEASING AND FINANCE PRIVATE LIMITED**

I have examined the compliance of conditions of corporate governance by Franklin Leasing And Finance Private Limited, ('the Company'), for the year ended on March 31, 2017, as stipulated in Regulation 27(2) of the SEBI (LODR) Regulation, 2015 of the Listing Agreement with Stock Exchanges of the said Company with stock exchanges.

The compliance of conditions of corporate governance is the responsibility of the management. My examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and according to the explanations given to me, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

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

**For Anil Hariram Gupta & Co.**

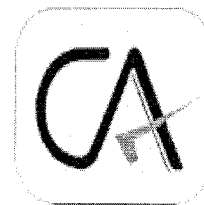
Sd/-

**Anil Gupta  
Partner**

Chartered Accountant  
**M. No.: 066309**

**Place:** Kolkata

**Date:** 30th May, 2017



## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF FRANKLIN LEASING AND FINANCE LIMITED**

#### **Report on the Financial Statements**

We have audited the accompanying financial statements of **FRANKLIN LEASING AND FINANCE LIMITED**, which comprise the Balance Sheet as at 31<sup>st</sup> March, 2017, the Statement of Profit and Loss, the Cash Flow Statement, and a summary of the significant accounting policies and other explanatory information for the year then ended.

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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on the financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Director's, as well as evaluating the overall presentation the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the stand alone financial statements.

### **Opinion**

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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2017, its Profit and its cash flows for the year ended on that date.

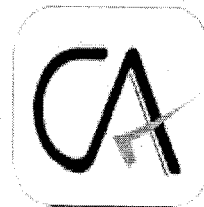
### **Report on Other Legal and Regulatory Requirements**

- 1) As required by the Companies (Auditor's Report) order, 2016 (" the Order"), as amended, issued by the Central Government of India in terms of sub section (11) of section 143 of the Act, we give in the **Annexure 'A'**, a statement on the matters specified in paragraph 3 and 4 of the said order.
- 2) The Company is a Non- Banking Financial Company not accepting public deposit and the Certificate of Registration No. B-14-02383 dated 22nd May, 2001 from Reserve Bank of India has been issued to the Company: -
  - a) The Board of Directors of the company has passed a resolution for the non-acceptance of any public deposits.
  - b) The company has not accepted any public deposits during the relevant year.
  - c) The company has complied with the prudential norms relating to income recognition, accounting standards, assets classification and provisioning for bad and doubtful debts as applicable to it.
- 3) 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. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this report are in agreement with the books of account.
- c. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules 2014.
- d. On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2017 taken on record by the Board of Directors, none of the directors are disqualified as on 31<sup>st</sup> March, 2017 from being appointed as director in terms of Section 164 (2) of the Act.
- e. The observation of financial transactions does not reveal any matter which has any adverse effect on the functioning of the Company.
- f. Report on the Internal Financial Control under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 is enclosed as **Annexure B** to this report.
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company does not have any pending litigations on its financial position in its Financial Statements.
  - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses. However, company does not enter into any long-term contracts including derivative contracts during the specified period.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - iv. On the basis of information and explanations given to us, the Company has maintained proper records in respect of holding and /or dealings in Specified Bank Notes (SBN) during the period from November 8<sup>th</sup> 2016 to December 30<sup>th</sup> 2016 and has made adequate disclosures in these financial statements.

FOR Anil Hariram Gupta & Co.  
Chartered Accountants  
Firm Regn. No. 327781E

Sd/-  
Anil Gupta  
Partner  
Membership No. 066306  
Place : New Delhi  
Date : 30<sup>th</sup> May ,2017



**ANNEXURE A TO THE AUDITORS' REPORT**

(Referred to in Paragraph 1 under the heading of "Report on other Legal and Regulatory Requirements" of our report of even date)

1. The Company has maintained proper records to show full particulars, including quantitative details and situation of Fixed Assets.
2. As per information and explanation given to us, physical verification of inventory has been conducted once in a year by the management and no material discrepancies were noticed during the course of verification.
3. According to information and explanations given to us, the Company has not granted unsecured loans to parties covered in register maintained under section 189 of the Companies Act, 2013 and hence provisions of this sub- clause are not applicable;
4. According to information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees and securities.
5. According to information and explanations given to us, the Company has not accepted public deposits and the provision of section 73 to 76 or other relevant provisions of the Companies Act, 2013 and rules framed thereunder are not applicable to the Company;
6. According to information and explanations given to us, the Company is not liable to maintain cost records as prescribed under section 148(1) of the Companies Act, 2013;
7. (a) According to information and explanations given to us, the company is regular in depositing undisputed statutory dues including, income tax and any other statutory dues applicable to it with the appropriate authorities during the year. There were no undisputed amounts payable on account of the above dues in arrear as at March 31, 2017 for a period of more than six month from the date they become payable.  
  
(b) According to information and explanations given to us, there are no outstanding statutory dues on the part of Company which is not deposited on account of dispute;



8. According to information and explanations given to us, the company has not obtained any loans and borrowings from any financial institution, bank, government or dues to debenture holders, and hence question of default of repayment does not arise;
9. According to information and explanations given to us, the Company has not raised money by way of initial public offer or further public offer. The Company has not taken any term loans from any bank or financial institution;
10. According to information and explanations given to us, there is no noticed or unreported fraud on or by the Company during the year under audit;
11. According to information and explanations given to us, the Company has paid managerial remuneration in accordance with applicable provisions of the Companies Act, 2013;
12. As per information, the Company is not a Nidhi Company, hence provisions of sub- clause (xii) of the Paragraph 3 of the Order are not applicable;
13. According to information and explanations given to us, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 wherever applicable and the details have been disclosed in the financial statements etc., as required by the applicable accounting standards;
14. According to information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review;
15. According to information and explanations given to us, the Company has not entered into non- cash transactions with directors or persons connected with him;
16. According to information and explanations given to us, the Company is a Non- Banking Financial Company duly registered under Section 45-1A of the Reserve Bank of India Act, 1934.

**FOR Anil Hariram Gupta & Co.**

**Chartered Accountants**

Firm Regn. No. 327781E

Sd/-

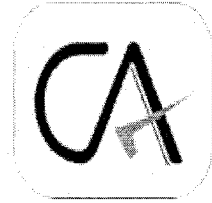
Anil Gupta

Partner

Membership No. 066306

**Place : New Delhi**

**Date : 30<sup>th</sup> May ,2017**



**ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON  
THE STANDALONE FINANCIAL STATEMENTS OF FRANKLIN LEASING AND  
FINANCE LIMITED**

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

We have audited the internal financial controls over financial reporting of **FRANKLIN LEASING AND FINANCE LIMITED** as of 31<sup>st</sup> March, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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

The Company's management is responsible for establishing and maintaining internal financial controls. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance 168 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 obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### **Meaning of Internal Financial Controls Over Financial Reporting**

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

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

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

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March, 2017

**FOR Anil Hariram Gupta & Co.**  
**Chartered Accountants**  
Firm Regn. No. 327781E

Sd/-  
**Anil Gupta**  
Partner  
Membership No. 066306

**Place : New Delhi**  
**Date : 30<sup>th</sup> May ,2017**

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

### **Meaning of Internal Financial Controls Over Financial Reporting**

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

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

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

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March, 2017

**FOR Anil Hariram Gupta & Co.**  
**Chartered Accountants**  
Firm Regn. No. 327781E

Sd/-  
**Anil Gupta**  
Partner  
Membership No. 066306

**Place : New Delhi**  
**Date : 30<sup>th</sup> May ,2017**

# FRANKLIN LEASING & FINANCE LIMITED

CIN NO. U74899DL1992PLC048028  
BALANCE SHEET AS ON 31ST MARCH 2017

Particulars	Notes	31st March 2017 (Rupees)	31st March 2016 (Rupees)
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' fund</b>			
Share Capital	3	157,824,000.00	115,584,000.00
Reserves and Surplus	4	206,110,197.06	182,583,746.03
<b>Non-Current liabilities</b>			
Long-Term Provisions	5	749,039.00	669,942.00
<b>Current liabilities</b>			
Trade Payables	6	24,671,614.00	2,340,821.00
Short-Term Provisions	7	3,392,768.00	2,281,187.00
<b>Total</b>		<b>392,747,618.06</b>	<b>303,459,696.03</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Fixed Assets	8	-	-
Deffered Tax Assets		6,653.07	6,873.07
Capital & amortised expenses not w/off	9	-	-
<b>Current Assets</b>			
Inventories	10	26,547,587.50	2,028,991.80
Current Investments	11	5,145,000.00	9,945,000.00
Trade Receivable	12	1,728,107.61	166,527.48
Cash and Cash Equivalents	13	10,905,445.88	9,058,993.68
Short- term loan and advances	14	348,414,824.00	282,253,310.00
<b>Total</b>		<b>392,747,618.06</b>	<b>303,459,696.03</b>
Summary of significant accounting polices	2		

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

For Anil Hariram Gupta & Co.  
Chartered Accountants  
FRN-327781E

Sd/-  
**Anil Gupta**  
Partner  
M.N.-066306  
Place : New Delhi  
Date : 30.05.2017

For and on behalf of the Board of Directors of  
Franklin Leasing & Finance Limited

Sd/-  
Pawan Dalmia  
Managing Director  
DIN No. 01541707  
Sd/-  
Raju Kumar Ram  
Chief Financial Officer

Sd/-  
Ramesh Kumar Dalmia  
Director  
DIN No. 03257468  
Sd/-  
Shanu Jain  
Company Secretary

## FRANKLIN LEASING & FINANCE LIMITED

CIN NO. U74899DL1992PLC048028

STATEMENT OF TRADING & PROFIT AND LOSS FOR THE PERIOD ENDED ON  
31ST MARCH 2017

Particulars	Notes	From 1st April 2016 to 31st March 2017 (Rupees)	From 1st April 2015 to 31st March 2016 (Rupees)
<b>A. CONTINUING OPERATIONS</b>			
<b>Income</b>			
Revenue from operations	15	42,724,259.09	18,168,476.00
<b>Total Revenue (I)</b>		<b>42,724,259.09</b>	<b>18,168,476.00</b>
<b>Expenses</b>			
Purchases of stock in trade	16	55,144,516.77	7,804,426.50
Changes in inventories	17	(24,518,595.70)	(120,991.80)
Employee benefit expenses	18	3,043,478.00	3,267,611.00
Depreciation & amortise expenses	19	-	16,207.60
Other administrative expenses	20	5,457,510.99	4,874,538.55
<b>Total (II)</b>		<b>39,126,910.06</b>	<b>15,841,791.85</b>
<b>Profit/ (loss) before tax ( I - II)</b>		<b>3,597,349.03</b>	<b>2,326,684.15</b>
<b>Tax expenses</b>			
Current Tax		1,111,581.00	718,945.00
Deferred tax		220.00	257.00
<b>Total Tax Expenses</b>		<b>1,111,801.00</b>	<b>719,202.00</b>
<b>Profit/ (loss) for the year after tax</b>		<b>2,485,548.03</b>	<b>1,607,482.15</b>
Less: Contingent provision against standard assets		79,097.00	15,007.00
Less: Special reserve u/s 45-IC of the RBI Act, 193.		497,110.00	321,496.00
<b>Net profit transfer to appropriation</b>		<b>1,909,341.03</b>	<b>1,270,979.15</b>
<b>Earning per share (EPS)</b>			
[nominal value of share Rs. 10/-]			
Basic		0.1575	0.1391
Diluted		0.1575	0.1391
Summary of significant accounting polices	2		

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

**For Anil Hariram Gupta & Co.**  
**Chartered Accountants**  
FRN-327781E

Sd/-  
**Anil Gupta**  
Partner  
M.N.-066306  
Place : New Delhi  
Date : 30.05.2017

**For and on behalf of the Board of Directors of  
Franklin Leasing & Finance Limited**

Sd/-  
Pawan Dalmia  
Managing Director  
DIN No. 01541707

Sd/-  
Raju Kumar Ram  
Chief Financial Officer

Sd/-  
Ramesh Kumar Dalmia  
Director  
DIN No. 03257468

Sd/-  
Shanu Jaiñ  
Company Secretary

**FRANKLIN LEASING & FINANCE LIMITED**

CIN NO. U74899DL1992PLC048028

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 1ST APRIL 2016 TO 31ST MARCH 2017

3. Share capital	As at 31st March 2017 <u>(Rupees)</u>	As at 31st March 2016 <u>(Rupees)</u>
<b>Authorised shares</b>		
1,60,00,000 Equity Shares of Rs.10/- each	<u>200,000,000.00</u>	<u>160,000,000.00</u>
<b>Issued, subscribed and fully paid- up shares</b>		
1,57,82,400 Equity Shares of Rs.10/- each fully paidup	<u>157,824,000.00</u>	<u>115,584,000.00</u>
<b>Total issued, subscribed and fully paid- up share capital</b>	<u><u>157,824,000.00</u></u>	<u><u>115,584,000.00</u></u>

**a. Reconciliation of Shares outstanding at the beginning and at the end of reporting period**

	As at 31st March 2017		As at 31st March 2016	
	No.	(Rupees)	No.	(Rupees)
Share Capital at the beginning of the period	11,558,400	115,584,000.00	11,558,400	115,584,000.00
Issue during the period	4,224,000	42,240,000.00	-	-
<b>Outstanding at the end of the period</b>	<u><u>15,782,400</u></u>	<u><u>157,824,000.00</u></u>	<u><u>11,558,400</u></u>	<u><u>115,584,000.00</u></u>

**b. Terms and rights attached to equity shares**

The company has issued only one class of equity share having a par value of Rs. 10 per share. Each holder of equity shares is entitled to vote per share. The company declares and pays dividend if any, in Indian Rupees. The dividend proposed by the Board of Directors is subject to approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all the preferential amount. The distribution will be in proportion to the number of equity shares held by the shareholder.

**c. Details of shareholders holding more than 5% shares in the company  
(as per list attached)**

4. Reserves and surplus	As at 31st March 2017 <u>(Rupees)</u>		As at 31st March 2016 <u>(Rupees)</u>	
<b>Securities premium account</b>				
Opening balance	176,820,000.00		176,820,000.00	
Add: Premium on share capital (note 3)	21,120,000.00			
Less: Utilized/ transfer during the period	-		-	
<b>Closing balance</b>		<u>197,940,000.00</u>		<u>176,820,000.00</u>
<b>Special reserve u/s 45-IC of the RBI Act, 1934</b>				
Opening balance	1,808,921.00		1,487,425.00	
Add: transfer from P&L a/c during the year	497,110.00		321,496.00	
Less: Utilized/ transfer during the period	-		-	
<b>Closing balance</b>		<u>2,306,031.00</u>		<u>1,808,921.00</u>
<b>Surplus/ (deficit) in statement of profit &amp; loss</b>				
Balance as per last financial statements	3,954,825.03		2,683,845.88	
Add: Profit/ (loss) for the year	1,909,341.03		1,270,979.15	
Less: Utilized/ transfer during the period	-		-	
<b>Net (deficit) in statement of profit and loss</b>		<u><u>5,864,166.06</u></u>		<u><u>3,954,825.03</u></u>
		<u><u>206,110,197.06</u></u>		<u><u>182,583,746.03</u></u>

For Anil Hariram Gupta & Co.  
Chartered Accountants  
FRN-327781E

Sd/-  
**Anil Gupta**  
Partner  
M.N.-066306  
Place : New Delhi  
Date : 30.05.2017

For and on behalf of the Board of Directors of  
Franklin Leasing & Finance Limited

Sd/-	Sd/-
Pawan Dalmia	Ramesh Kumar Dalmia
Managing Director	Director
DIN No. 01541707	DIN No. 03257468

Sd/-	Sd/-
Rajju Kumar Ram	Shanu Jain
Chief Financial Officer	Company Secretary

# FRANKLIN LEASING & FINANCE LIMITED

CIN NO. U74899DL1992PLC048028

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 1ST APRIL 2016 TO 31ST MARCH 2017

	As at 31st March 2017 (Rupees)	As at 31st March 2016 (Rupees)
<b>5. Long-term provisions</b>		
Contingent provision against standard assets*		
Opening Balance	669,942.00	654,935.00
Add: Addition(written off) during the year	79,097.00	15,007.00
	<u>749,039.00</u>	<u>669,942.00</u>
*A contingent provision against standard assets has been created at 0.25% of the outstanding standard assets in terms of the RBI circular Ref. No. DNBS(PD) CC No. 225/03.02.001/2011-12 dated July 1, 2011.		
<b>6. Trade Payables</b>	As at 31st March 2017 (Rupees)	As at 31st March 2016 (Rupees)
Audit fee payable	50,000.00	25,000.00
TDS Payable	146,300.00	3,879.00
Liabilities for Expenses	152,372.00	
Sundry creditors	24,322,942.00	2,311,942.00
	<u>24,671,614.00</u>	<u>2,340,821.00</u>
<b>7. Short-term provisions</b>	As at 31st March 2017 (Rupees)	As at 31st March 2016 (Rupees)
Provision for income tax	3,392,768.00	2,281,187.00
	<u>3,392,768.00</u>	<u>2,281,187.00</u>
<b>9. Capital &amp; amortised expenses not w/off</b>	As at 31st March 2017 (Rupees)	As at 31st March 2016 (Rupees)
Deferred revenue expenses		
Opening Balance	-	16,207.60
Add: addition during the year	-	-
Less: written off during the year	-	16,207.60
	<u>-</u>	<u>-</u>
<b>10. Inventories</b>	As at 31st March 2017 (Rupees)	As at 31st March 2016 (Rupees)
Stock in trade	26,547,587.50	2,028,991.80
	<u>26,547,587.50</u>	<u>2,028,991.80</u>
<b>11. Current Investments</b>	As at 31st March 2017 (Rupees)	As at 31st March 2016 (Rupees)
Investment in unquoted equity shares	5,145,000.00	9,945,000.00
	<u>5,145,000.00</u>	<u>9,945,000.00</u>
<b>12. Trade Receivable</b>	As at 31st March 2017 (Rupees)	As at 31st March 2016 (Rupees)
More than Six Month	66,527.48	66,527.48
other	1,661,580.13	100,000.00
	<u>1,728,107.61</u>	<u>166,527.48</u>
<b>13. Cash and cash equivalents</b>	As at 31st March 2017 (Rupees)	As at 31st March 2016 (Rupees)
Cash in hand	1,586,384.00	5,205,435.00
Balances with banks	9,319,061.88	3,853,558.68
	<u>10,905,445.88</u>	<u>9,058,993.68</u>
<b>14. Short-term loan and advances</b>	As at 31st March 2017 (Rupees)	As at 31st March 2016 (Rupees)
Advances recoverable in cash or kind		
Unsecured, considered good		
Loans	299,615,660.00	267,976,807.00
Advances	42,657,000.00	10,450,000.00
Tax Deducted at Sources	5,987,164.00	3,826,503.00
Income Tax Demand AY 14-15	155,000.00	-
	<u>348,414,824.00</u>	<u>282,253,310.00</u>

For Anil Hariram Gupta & Co.  
Chartered Accountants

FRN-327781E

Sd/-

Anil Gupta

Partner

M.N.-066306

Place : New Delhi

Date : 30.05.2017

For and on behalf of the Board of Directors of  
Franklin Leasing & Finance Limited

Sd/-

Pawan Dalmita

Managing Director

DIN No. 01541707

Sd/-

Rajiv Kumar Ram

Chief Financial Officer

Sd/-

Ramesh Kumar Dalmia

Director

DIN No. 03257468

Sd/-

Shanu Jain

Company Secretary



**FRANKLIN LEASING & FINANCE LIMITED**

CIN NO. U74899DL1992PLC048028

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 1ST APRIL 2016 TO 31ST MARCH 2017

	For the half year ended As at 31st March 2017 (Rupees)	For the year ended 31st March 2015 (Rupees)
<b>15. Revenue from operations</b>		
Interest on loans	26,895,663.00	18,130,673.00
Interest on I.T.Refund	-	37,803.00
Sales	15,828,596.09	-
	<u>42,724,259.09</u>	<u>18,168,476.00</u>
<b>16. Purchase of trade goods</b>		
Purchases of stock in trade	55,144,516.77	7,804,426.50
	<u>55,144,516.77</u>	<u>7,804,426.50</u>
<b>17. Changes in inventories</b>		
<u>Inventories at the beginning of the year</u>		
Stock in trade	2,028,991.80	1,908,000.00
	<u>2,028,991.80</u>	<u>1,908,000.00</u>
<u>Inventories at the end of the year</u>		
Stock in trade	26,547,587.50	2,028,991.80
	<u>26,547,587.50</u>	<u>2,028,991.80</u>
	<u>-24,518,595.70</u>	<u>-120,991.80</u>
<b>18. Employee benefit expenses</b>		
Salaries and wages	2,621,512.00	2,917,245.00
Staff welfare expenses	421,966.00	350,366.00
	<u>3,043,478.00</u>	<u>3,267,611.00</u>
<b>19. Depreciation &amp; amortise expenses</b>		
Depreciation	-	-
Deferred revenue expenditure w/off	-	16,207.60
	<u>-</u>	<u>16,207.60</u>
<b>20. Other administrative expenses</b>		
Auditors Remuneration	40,000.00	25,000.00
Advertisement Expenses	12,302.00	77,759.00
Bank Charges	7,394.50	3,239.05
Conveyance Expenses	393,602.00	290,476.00
Business Promotional Expenses	1,022,114.00	1,448,682.00
Depository Expenses	157,138.00	125,078.00
Rent	273,000.00	270,000.00
Bad Debt	1,091,000.00	-
General Expenses	44,644.49	31,946.50
Diwali Expenses	365,821.00	236,781.00
Postage & Telegram	2,903.00	-
Stock Exchange Listing Fees	-	848,500.00
Printing and Stationery	96,761.00	230,683.00
Professional Charges	1,741,575.00	1,174,500.00
Telephone & Mobile Expenses	117,906.00	50,264.00
Electricity Expenses	28,422.00	28,919.00
Books & Periodicals	62,928.00	32,711.00
	<u>5,457,510.99</u>	<u>4,874,538.55</u>

For Anil Hariram Gupta & Co.  
Chartered Accountants  
FRN-327781E

Sd/-  
Anil Gupta  
Partner  
M.N. -066306  
Place : New Delhi  
Date : 30.05.2017

For and on behalf of the Board of Directors of  
Franklin Leasing & Finance Limited

Sd/- Pawan Dalmia  
Managing Director  
DIN No. 01541707

Sd/- Ramesh Kumar Dalmia  
Director  
DIN No. 03257468

Sd/-  
Rajiv Kumar Ram  
Chief Financial Officer

Sd/-  
Shanu Jain  
Company Secretary

**Computation of Deferred Tax Assets/Liabilities**

**Depreciation as per Income Tax Act, 1961.**

Name of Assets	Rate	Opening Balance as on 01.04.2016	Additions during the year		Sales/Transferred During the year	Total	Depreciation	Additional depreciation	W.D.V. as on 31.03.2017
			Six months or more	Less than 6 months					
<b>Block-A'</b> Plant & Machinery	15%	4,030.00	-	-	-	4,030.00	605.00	-	3,425.00
<b>Block-B'</b> Furniture	10%	1,081.00	-	-	-	1,081.00	108.00	-	973.00
		<b>5,111.00</b>	-	-	-	<b>5,111.00</b>	<b>713.00</b>	-	<b>4,398.00</b>

I. Modified value Added Tax credit claimed and allowed under the Central Excise Rules, 1994, in respect of assets acquired on or after 1st. March, 1994.

II. Change in rate of exchange or currency and.

III. Subsidy or grant or reimbursement , by whatever name called.

Nil  
Nil  
Nil

**Deferred Tax Assets**

**Amount(Rs)**

Depreciation as per income tax Act	713.00
Depreciation as per Company Act	-
Difference in Depreciation	713.00
Deferred Tax Assets	220.00

# FRANKLIN LEASING & FINANCE LIMITED

CIN NO. U74899DL1992PLC048028

## CASH FLOW STATEMENT FOR THE PERIOD ENDED ON 31ST MARCH 2017

	For the year ended 31st March 2017 (Rupees)	For the year ended 31st March 2016 (Rupees)
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net profit before tax and after extra- ordinary items (As per profit & loss account)	3,597,349.03	2,342,891.75
Adjustments for items not included	-	-
Operating Profit before working capital changes	3,597,349.03	2,342,891.75
<b>Working capital adjustments: -</b>		
(Increase)/ decrease in current loans and advances	(66,161,514.00)	8,120,601.35
(Increase)/ decrease in Trade receivables	(1,561,580.13)	(100,000.00)
(Increase)/ decrease in inventories	(24,518,595.70)	(120,991.80)
Increase/ (decrease) in current liabilities	22,330,793.00	1,850,821.00
Cash generated from operations	(66,313,547.80)	12,093,322.30
Direct Taxes Paid	-	(771,959.00)
<b>Net cash flow from operating activities (A)</b>	<b>(66,313,547.80)</b>	<b>11,321,363.30</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
(Increase)/ decrease in investments	4,800,000.00	(3,800,000.00)
Expenses for capital expenses	-	-
Purchase of fixed assets	-	-
<b>Net cash flow from investing activities (B)</b>	<b>4,800,000.00</b>	<b>(3,800,000.00)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of equity shares	63,360,000.00	-
Increase/ (decrease) in share application money	-	-
<b>Net cash flow from financing activities (C)</b>	<b>63,360,000.00</b>	<b>-</b>
<b>Net cash flow during the year (A + B + C)</b>	<b>1,846,452.20</b>	<b>7,521,363.30</b>
Add: Opening cash and cash equivalents	9,058,993.68	1,537,630.38
<b>Closing cash and cash equivalents</b>	<b>10,905,445.88</b>	<b>9,058,993.68</b>
<b>Components of cash and cash equivalents</b>		
Cash in hand	1,586,384.00	5,205,435.00
Deposit with banks in current accounts	9,319,061.88	3,853,558.68
<b>Toal cash and cash equivalents (note 8)</b>	<b>10,905,445.88</b>	<b>9,058,993.68</b>

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For Anil Hariram Gupta & Co.  
Chartered Accountants  
FRN-327781E

Sd/-

**Anil Gupta**

Partner

M.N.-066306

Place : New Delhi

Date : 30.05.2017

For and on behalf of the Board of Directors of  
Franklin Leasing & Finance Limited

Sd/-

Pawan Dalmia

Managing Director

DIN No. 01541707

Sd/-

Raju Kumar Ram

Chief Financial Officer

Sd/-

Ramesh Kumar Dalmia

Director

DIN No. 03257468

Sd/-

Shanu Jain

Company Secretary

# **FRANKLIN LEASING AND FINANCE LIMITED**

(CIN NO. U74899DL1992PLC048028)

NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD  
FROM 1<sup>ST</sup> APRIL 2016 TO 31<sup>ST</sup> MARCH 2017

## **Basis of preparation**

The financial statements of the company have been prepared in accordance with generally accepted accounting principles (Indian GAAP) and the provisions of the Companies Act 2013.

The financial statements have been prepared on accrual basis and under the historical cost convention. The accounting policies not specifically referred, are consistently applied from the past accounting periods

## **2. Summary of significant accounting policies**

### **a. Changes in accounting policy**

There is no change in accounting policy compared to previous year. The company has also reclassified previous year's figure in accordance with the requirements applicable for the current year.

### **b. Use of estimates**

The preparation of Financial Statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current event and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future period.

### **c. Revenue recognition**

Having regard to the size, nature and level of operation of the business, the company is applying accrual basis of accounting for recognition of income earned and expenses incurred in the normal course of business.

### **d. Fixed assets:**

The company does not have any Fixed Assets during the year.

### **e. Inventories**

The company have inventories to the tune of Rs.2,65,47,587/-. Proper records of the inventories have been kept by the company. Inventories have been valued at cost or net realizable value whichever is lower.

### **f. Depreciation**

The company charged depreciation on its fixed assets on WDV method as per rates prescribed under Schedule II of the Companies Act, 2013. But as the company does not have any Fixed assets hence no depreciation was provided during the year.

### **g. Taxes on income**

Current taxes on income have been provided by the Company in accordance with the relevant provisions of the Income Tax Act, 1961. Deferred Taxes has been recognised on timing differences between accounting income and taxable income subject to consideration of prudence.

Deferred tax assets are recognised only to the extent that there is a reasonable certainty that sufficient future income will be available except that deferred tax assets, in case there are unabsorbed depreciation or losses, are recognised if there is virtual certainty that sufficient future taxable income will be available to realize the same. Deferred tax assets and liabilities are measured using the tax rates and tax law that have been enacted or substantively enacted by the Balance Sheet date.

### **h. Provisions and Contingent Liabilities and Contingent Assets**

A provision is recognized when the company has a present obligation as a result of past event, it is probable that an outflow of resource embodying economic benefits will be require to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions

are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are review at the end of each reporting date and adjusted to reflect the current best estimates.

There is no Contingent Liabilities or Contingent Assets during the year .

**i. Earning Per Share**

Basic Earning per Share has been 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. Diluted Earning per Share has been computed by dividing the net profit after tax by the weighted average no. of equity shares considered for deriving basic Earning per Share and also the weighted average no. of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

**j. Cash and cash equivalents**

Cash and cash equivalents comprise cash in hand, cash at bank and short term investments with the original maturity of three months or less.

**k. Previous year figures**

The company has reclassified previous year figures to conform to current year's classification.

**l. Specified Bank transaction statement**

Particulars	Specified Bank Notes	Other Denomination Notes	Total
Closing Cash in hand as on 08/11/2016	1,00,000.00	18,85,452.00	19,85,452.00
(+) Permitted Receipts	Nil	50,000.00	50,000.00
(-) Permitted Payments	Nil	5,98,635.00	5,98,635.00
(-) Amount Deposited in Banks	1,00,000.00	0.00	1,00,000.00
Closing Cash in hand as on 30/12/2016	Nil	13,36,817.00	13,36,817.00

Signed for the purpose of Identification

**For Anil Hariram Gupta & Co.**  
Chartered Accountants  
(Firm Registration No. 327781E)

For and on behalf of Board of Directors of  
**Franklin Leasing & Finance Limited**

Sd/-  
**Anil Gupta**  
Partner  
M.N.-066306  
Place : New Delhi  
Date :30.05.2017

Sd/-  
**Pawan Dalmia**  
DIN NO. 01541707  
Director

Sd/-  
**Ramesh Kumar Dalmia**  
DIN NO. 03257468  
Director

# **FRANKLIN LEASING AND FINANCE LIMITED**

(CIN NO. U74899DL1992PLC048028)

NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD  
FROM 1<sup>ST</sup> APRIL 2016 TO 31<sup>ST</sup> MARCH 2017

21. There is no Micro, Small and Medium Enterprises as defined under Micro, Small & Medium Enterprises Development Act, 2006 to which Company owes dues which are outstanding for a period more than 45 days as on Balance Sheet Date.

The above information regarding Micro, Small and Medium Enterprises has been determined on the basis of information availed with the Company and has been duly relied by the auditors of the Company.

22. Provisions of Accounting Standard (AS) - 17 issued by the ICAI on 'Segment Reporting' are not been applicable to the Company.
23. In view of present uncertainty regarding generation of sufficient future income, net deferred tax asset or liability has not been recognized in these accounts on prudent basis.
24. In the opinion of the management, the current assets, loans and advances have a reliable value in the ordinary course of business is not less than the amount at which they are stated in the Balance Sheet.
25. **Related party disclosures/ transactions**  
There is no transaction entered with the related party covered by the Accounting Standard (AS) - 18 on 'Related Party Disclosure' during the period covered by these financial statements.

26. Balance shown under head Sundry Debtors, Creditors and Advances are subject to confirmation.

27. Particulars	Current Period (Rs.)	Previous Year (Rs.)
Earnings/ Remittances and/ or Expenditure in Foreign Currency	Nil	Nil

28. Quantitative Information in respect of Opening Stock, Purchases, Sales and Closing Stock pursuant to Schedule VI of the relevant Companies Act are not applicable.

29. The company is listed with the Bombay Stock Exchanges Ltd. With effect from 9<sup>th</sup> April, 2016 and respective stock code is 539839

30. Particulars	Current Period (Rs.)	Previous Year (Rs.)
Contingent Liability not provided for	Nil	Nil

31. Previous Year's Figures have been re- arranged or re- grouped wherever considered necessary.

32. Figures have been rounded off to the nearest rupees.

33. Figures in brackets indicate negative (-) figures.

Signed for the purpose of Identification

**For Anil Hariram Gupta & Co.**  
Chartered Accountants  
(Firm Registration No. 327781E)

Sd/-  
**Anil Gupta**  
Partner  
M.N.-066306  
Place :New Delhi  
Date : 30.05.2017

For and on behalf of Board of Directors of  
**Franklin Leasing & Finance Limited**

Sd/-  
**Pawan Dalmia**  
DIN NO. 01541707  
Director  
Sd/-  
**Rajiv Kumar Ram**  
CFO

Sd/-  
**Ramesh Kumar Dalmia**  
DIN NO. 03257468  
Director  
Sd/-  
**Shanu Jain**  
Company Secretary

# **FRANKLIN LEASING AND FINANCE LIMITED**

**CIN: U74899DL1992PLC048028**

**Regd. Off.: - UNIT/SHOP NO.205, SECOND FLOOR, AGGARWAL CITY**

**MALL ROAD NO.44, PITAMPURA DELHI-110034**

**Tel. No.: 011 4235 1486**

**Website: [www.franklinleasing.in](http://www.franklinleasing.in) ; E-mail: [franklinleasingfinance@gmail.com](mailto:franklinleasingfinance@gmail.com)**

## **Form No. MGT-11**

### **Proxy form**

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

**CIN : U74899DL1992PLC048028**

**Name of the company: FRANKLIN LEASING AND FINANCE LIMITED**

**Registered office : Unit/Shop No.205, Second Floor, Aggarwal City Mall Road No.44,  
Pitampura Delhi - 110034**

**E- Mail :**

**Website :**

**Name of the member (s):**

**Registered Address :**

**E-mail Id :**

**Folio No/ Client ID :**

**DP ID :**

I/We, being the member of ----- equity shares of the above named company, hereby appoint

**Name :**

**Address :**

**E-mail id :**

**Signature :**

**Name :**

**Address :**

**E-mail id :**

**Signature :**

**Name :**

**Address :**

**E-mail id :**

**Signature :**

as my/our proxy to attend and vote (on a poll) for me and on my behalf at the 25th Annual General Meeting of the company, to be held on the 16th day of September, 2017 At 2.30 P.M at Unit/Shop No.205, Second Floor, Aggarwal City Mall Road No.44, Pitampura Delhi -110034 and at any adjournment thereof in respect of such resolutions as are indicated below:

**Ordinary Business:**

1. Approval of financial statements for the year ended 31.03.2017
2. Re-Appointment of Mr. Ramesh Kumar Dalmia as Director who retires by rotation
3. Re-Appointment of statutory auditors and fixation of their remuneration

Signed this.....day of..... 2017

Signature of Shareholder \_\_\_\_\_

Signature of Proxy holder(s)\_\_\_\_\_

Please Affix Revenue Stamp
-------------------------------------

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting. A Proxy need not be member of the Company.



# FRANKLIN LEASING AND FINANCE LIMITED

CIN: U74899DL1992PLC048028

Regd. Off.: - UNIT/SHOP NO.205, SECOND FLOOR, AGGARWAL CITY  
MALL ROAD NO.44, PITAMPURA DELHI-110034

Tel. No.: 011 4235 1486

Website: [www.franklinleasing.in](http://www.franklinleasing.in) ; E-mail: [franklinleasingfinance@gmail.com](mailto:franklinleasingfinance@gmail.com)

## ATTENDANCE SLIP

<b>Regd. Folio / DP ID &amp; Client ID</b>	
<b>Name and Address of the Shareholder</b>	

1. I hereby record my presence at the **25th ANNUAL GENERAL MEETING of the Company being held on 16th September 2017 at 2.30 p.m. at the Registered Office of the Company at UNIT/SHOP NO.205, SECOND FLOOR, AGGARWAL CITY MALL ROAD NO.44, PITAMPURA DELHI-110034**

2. Signature of the Shareholder/Proxy Present

3. Shareholder / Proxy holder wishing to attend the meeting must bring the Attendance Slip to the meeting and handover the same at the entrance duly signed.

4. Shareholder / Proxy holder desiring to attend the meeting may bring his / her copy of the Annual Report for reference at the meeting.

**Note:** - PLEASE CUT HERE AND BRING THE ABOVE ATTENDANCE SLIP TO THE MEETING.

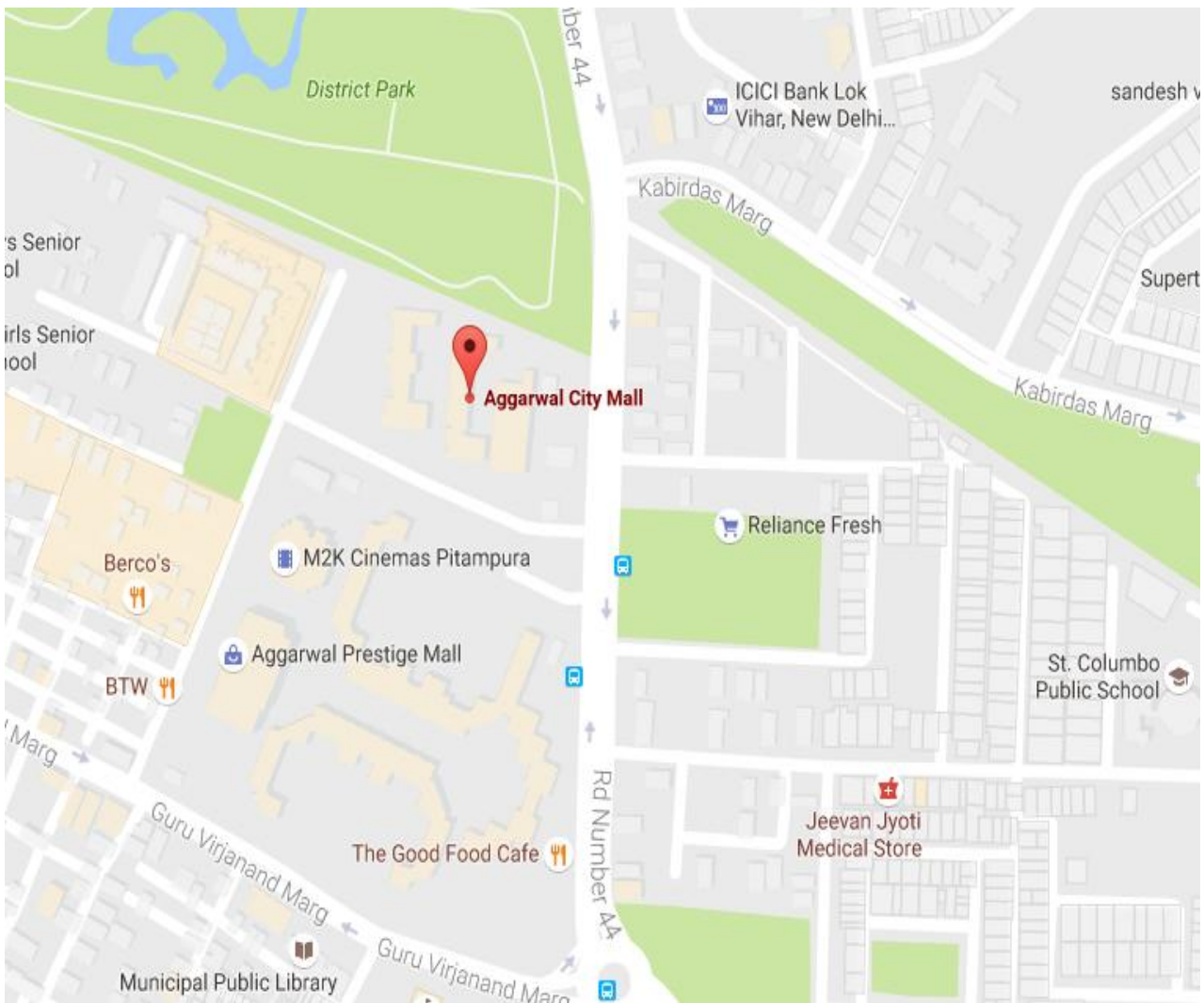
## ELECTRONIC VOTING PARTICULARS

(1) EVSN (E-Voting Sequence No.)	(2) USER ID.	(3) PAN or Relevant No.as under	(4) Bank Account No.
			(See Note No.1)

### Notes:

- (1) Where Bank Account Number is not registered with the Depositories or Company please enter your User Id. as mentioned in column (2) above.
- (2) Please read the Instructions printed under the Note No. 17 to the Notice dated 12<sup>th</sup> August, 2017 of the 25<sup>th</sup> Annual General Meeting. The e-Voting period starts from 9.00 A.M. on 13.09.2017 and ends at 5.00 P.M. on 15.09.2017, the e-voting module shall be disabled by CDSL for voting thereafter.

## ROAD MAP OF THE VENEUE



UNIT/SHOP NO.205, SECOND FLOOR, AGGARWAL CITY MALL  
ROAD NO.44, PITAMPURA, DELHI-110034

**IF UNDELIVERED, PLEASE RETURN TO:-**

**FRANKLIN LEASING AND FINANCE LIMITED**

**CIN: U74899DL1992PLC048028**

**Regd. Off.:** Unit/Shop No.205, Second Floor, Aggarwal City Mall,  
Road No.44, Pitampura Delhi - 110034

**E-Mail ID:** info.franklinleasing@gmail.com