

Date: 10-09-2017

To,

The General Manager  
Corporate Relations Department  
**BSE Limited**  
PhirozeJeejeebhoy Towers  
Dalal Street  
Mumbai - 400 001  
**Scrip Code: 539875**

The Secretary  
**The Calcutta Stock Exchange Ltd**  
7, Lyons Range  
Kolkata - 700 001  
**Scrip code: 28123**

Dear Sir/ Madam,

## Sub – Submission of the Annual Report for FY 2016-17

Pursuant to Regulation 34 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 we are enclosing the Annual Report for the financial year 2016-17.

We hereby confirm that the Annual Report 2016-17 was approved and adopted by the members of the Company at the 54<sup>th</sup> Annual General Meeting held on September 08, 2017.

You are requested to take the above information in your record.

Thanking You,

**FOR RSD FINANCE LTD**



**Rajeev Singh Dugal**  
(Managing Director)



Encl: As above

2016-2017



**RSD FINANCE LIMITED**

# RSD Finance Limited

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54th Annual Report 2016-17

The ALCOR [Hotel Business by SRP OIL PVT LTD]  
(Subsidiary of RSD Finance Ltd)



**PRECISION AUTOMOTIVE PVT LTD (FACTORY PREMISES & SOLAR PLANT)**

**(Wholly Owned Subsidiary of RSD Finance Ltd)**



**SIGMA HTS LLP (FACTORY PREMISES)**  
**(Subsidiary of Precision Automotive Pvt Ltd)**



# Corporate Information

## RSD FINANCE LIMITED

### Registered Office:

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

### Administrative Office:

C/o The Alcor Hotel  
H. No. – 4, Opp. Indian Oil Prtrol Pump  
Ramdas Bhatta, Bistupur  
Jamshedpur, Jharkhand – 831 001  
Tel: 0657 - 6515324

### Factory Office:

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

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## STATUTORY AUDITORS

M/s. Manisha Gupta & Associates  
Chartered Accountants  
DB – 14, Budh Vihar, Narayani Complex  
Phase – II, Prakash Nagar  
Telco, Jamshedpur, Jharkhand – 831 004

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## SECRETARIAL AUDITORS

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

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## INTERNAL AUDITORS

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

## CORPORATE IDENTITY NUMBER

L17222WB1963PLC025749

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## REGISTRAR & TRANSFER AGENTS

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

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## BANKERS

### IDBI Bank

- Specialized Corporate Branch
- Shantiniketan, Sakchi

### Kotak Mahindra Bank

- KG Marg, New Delhi
- Nariman Pint, Mumbai

### Axis Bank Limited

- Voltas House, Jamshedpur

### Bank of India

- Adityapur, Jamshedpur

### State Bank of India

- Bistupur, Jamshedpur

### Punjab National Bank

- Adityapur, Jamshedpur

# Corporate information continues

## BOARD OF DIRECTORS (as on March 31, 2017)

Mr. Rajeev Singh Dugal	(DIN: 00052037)	Managing Director
Mr. Sushil Kumar Khowala	(DIN: 00224539)	Independent Director
Mr. Malkeet Singh Saini	(DIN: 02592649)	Independent Director
Mr. Roop Narayan Choudhary	(DIN: 00583184)	Non Executive, Non Independent
Ms. Upneet Dugal	(DIN: 07680726)	Additional Director (Executive)
Ms. Anureet Kaur	(DIN: 07136456)	Independent Director (Resigned w.e.f June 14, 2017)

## BOARD COMMITTEES

### Audit Committee

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

### Stakeholders Relationship Committee

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

### Nomination and Remuneration Committee

Mr. Malkeet Singh Saini - Chairman  
Mr. Sushil Kumar Khowala - Member  
Ms. Anureet Kaur - Member

### Corporate Social Responsibility Committee

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

## CHIEF FINANCIAL OFFICER

Mr. Rechan Chhabra

## COMPANY SECRETARY & COMPLIANCE OFFICER

Ms. Puja Choudhary  
(Appointed on June 01, 2016)

## LISTING OF EQUITY SHARES

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

Calcutta Stock Exchange Limited  
7, Lyons Range, Kolkata – 700 001  
SCRIP CODE - 28123



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# R S D FINANCE LIMITED

CIN: L17222WB1963PLC025749

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

**Admin Office:** C/o. The Alcor Hotel, Holding No. 4, Opp. Indian Oil Petrol Pump,

Ramdas Bhatta, Bistupur, Jamshedpur- 831001, Tel. No: 0657-6515324

Email: [rsdfinance.ltd@gmail.com](mailto:rsdfinance.ltd@gmail.com), [complianceofficer@rsdfinancelimited.com](mailto:complianceofficer@rsdfinancelimited.com)

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

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## NOTICE

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**NOTICE IS HEREBY GIVEN THAT THE FIFTY-FOURTH ANNUAL GENERAL MEETING OF THE MEMBERS OF M/S. RSD FINANCE LIMITED WILL BE HELD ON FRIDAY, 08<sup>TH</sup> DAY OF SEPTEMBER, 2017 AT 12:30 PM AT THE REGISTERED OFFICE OF THE COMPANY AT 224, A J C BOSE ROAD, KRISHNA BUILDING, 9TH FLOOR, ROOM NO – 902, KOLKATA-700 017 TO TRANSACT THE FOLLOWING BUSINESS : -**

**ORDINARY BUSINESS:**

1. To receive, consider and adopt
  - a) the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2017 together with the reports of the Board of Directors and Auditors thereon; and
  - b) the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2017 together with the reports of the Auditors thereon.
2. To resolve not to fill the vacancy for the time being in the Board, caused by the retirement of Mr. Roop Narayan Choudhary (DIN-00583184) who retires by rotation and does not seek re-appointment and in this regard, to consider and if thought fit, pass with or without modification(s), the following resolution as an **ORDINARY RESOLUTION:**

**“RESOLVED THAT** pursuant to Section 152 and all other applicable provisions, if any, of the Companies Act, 2013, the vacancy caused by

retirement of Mr. Roop Narayan Choudhary who retires by rotation at this Annual General Meeting and who does not seek re-appointment be not re-appointed as a Director of the Company and the vacancy, so caused, be not filled up.”

3. To appoint the Statutory Auditors and to fix their remuneration and in this regard, to consider and if thought fit, pass with or without modification(s), the following Resolution as an **ORDINARY RESOLUTION:**

**“RESOLVED THAT** pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification, amendment, substitution or re-enactment thereof for the time being in force), M/s. Prasad Kumar & Co., Chartered Accountants, (Firm Registration Number 008816C) be and is hereby appointed as the Statutory Auditors of the Company in place of the retiring auditors, M/s Manisha Gupta & Associates, Chartered Accountants, to hold office for a term of five (5) consecutive years from the conclusion of this Annual General Meeting, until the conclusion of the 59<sup>th</sup> Annual General Meeting of the Company, i.e. till the financial year 2021 - 2022 subject to ratification by shareholders at every annual general meeting to be held hereafter, on the remuneration plus reimbursement of travelling expenses and other out-of-pocket expenses as may be mutually agreed to between the Board of Directors and the Auditors.”

**“RESOLVED FURTHER THAT** the Board of Directors of the Company (including its Committee thereof), be and is hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution.”

**SPECIAL BUSINESS:**

4. To Regularise the appointment of Ms. Upneet Dugal (DIN-07680726) as an Executive Director and in this regard, to consider and if thought fit, pass with or without modification(s), the following resolution as an **ORDINARY RESOLUTION:**

**“RESOLVED THAT** pursuant to the provisions of Section 152 and other applicable provisions of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014, Ms. Upneet Dugal (DIN-07680726), who was appointed as an Additional Director of the Company with effect from 28<sup>th</sup> December, 2016 by the Board of Directors of the Company pursuant to Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company and who holds office upto the date of this Annual General Meeting, and being eligible, offer herself for appointment and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member signifying his intention to propose the candidature of Ms. Upneet Dugal for the office of Director be and is hereby appointed as a Director of the Company, liable to retire by rotation.”

5. Approval of Related party transaction with Sigma HTS LLP and in this regard, to consider and if thought fit, pass with or without modification(s), the following resolution as an **ORDINARY RESOLUTION:**

**“RESOLVED THAT** pursuant to the provisions of Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 188 of the Companies Act, 2013 read with the Companies (Meeting of Board and its Powers) Rules, 2014 as applicable and any amendments thereto and subject to such other approvals, consents, permissions and sanctions of any

authorities as may be necessary, consent of the Company be and is hereby accorded to the Board of Directors to ratify/ approve the agreement entered into with M/s. Sigma HTS LLP, a Step down subsidiary and hence a related party within the meaning of the aforesaid law, the value of which exceeds ten per cent of the annual consolidated turnover of the Company as per audited financial statements; having the following details as more particularly enumerated in the explanatory statement to the Notice.”

**“RESOLVED FURTHER THAT** the Board be and is hereby authorised to settle any question, difficulty or doubt that may arise with regard to giving effect to the above Resolution and do all such acts, deeds, matters and things as may be necessary, proper or expedient for the purpose of giving effect to this resolution.”

6. To Adopt new set of Articles of Association of the Company containing regulations in conformity with the Companies Act, 2013 and in this regard, to consider and if thought fit, pass with or without modification(s), the following resolution as an **SPECIAL RESOLUTION:**

**“RESOLVED THAT** pursuant to the provisions of Section 14 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) read with Companies (Incorporation) Rules, 2014, including any statutory modifications or re-enactment thereof from time to time, the amended set of Articles of Association, be and is hereby approved and adopted in the place and in exclusion and substitution of the existing Articles of Association of the Company.”

**“RESOLVED FURTHER THAT** the Board of Directors be and are hereby severally authorised to do all such acts, matters, deeds and things necessary or desirable in connection with or incidental to giving effect to the aforementioned resolution, including but not limited to the filing of necessary forms with the Ministry of Corporate Affairs and to comply with all other requirements in this regard.”

7. To Adopt new set of Memorandum of Association of the Company containing regulations in conformity

with the Companies Act, 2013 and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as a **SPECIAL RESOLUTION:**

**“RESOLVED THAT** pursuant to the provisions of Section 13 and all other applicable provisions of the Companies Act, 2013 (“the Act”) read with Companies (Incorporation) Rules, 2014, including any statutory modification(s) or re-enactment thereof, for the time being in force, the amended set of Memorandum of Association submitted to this meeting be and are hereby approved.”

**NOTES:**

**A. MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING A PROXY IN ORDER TO BE VALID MUST BE DULY FILLED IN ALL RESPECTS AND SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**

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

1. The relevant statements to be annexed to the Notice pursuant to Section 102 of the Act, which sets out details relating to the special business at Item Nos. 4 to 7 of the Notice and explanatory

**“RESOLVED FURTHER THAT** the Board of Directors of the Company be and is authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to these resolutions.”

**By Order of the Board of Directors**  
**RSD Finance Limited**  
**Sd/-**

Place: Jamshedpur  
Date: 14th August, 2017

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

statement of the profile of the Director, are annexed hereto.

2. The Company does not have any unclaimed dividend amount to be transferred to Investor Education and Protection Fund (IEPF)
3. Members are requested to:
  - I. Bring their copies of the Annual Report and the attendance slip duly completed and signed at the meeting.
  - II. quote their respective folio numbers or DP ID and Client ID numbers for easy identification of their attendance at the meeting.
  - III. Bodies Corporate, who are the members of the Company, are requested to send a certified copy of the board resolution authorising their representative(s) to attend and vote at the meeting.
  - IV. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
4. The Register of Members and Share Transfer Books in respect of Equity Shares will remain closed from (Friday) 1st September, 2017 to (Friday) 08th September, 2017 (both days inclusive) in terms of provisions of Section 91 of the Companies Act, 2013 for the purpose of AGM.

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5. Every member entitled to vote at a meeting of the Company, or on any resolution to be moved thereat, shall be entitled during the period beginning twenty-four hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, to inspect the proxies lodged, at any time during the business hours of the Company, provided not less than three days' notice in writing of the intention to inspect is given to the company.
  6. As per Regulation 40(7) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Schedule VII to the said Regulations, for registration of transfer of shares, the transferee(s) as well as transferor(s) shall mandatorily furnish copy of their Income Tax Permanent Account Number (PAN). Additionally, for securities market transactions and / or for off market / private transactions involving transfer of shares in physical form of listed companies, it shall be mandatory for the transferee(s) as well as transferor(s) to furnish copy of PAN Card to the Company / Registrar and Share Transfer Agents for registration of such transfer of shares. In case of transmission of shares held in physical mode, it is mandatory to furnish a copy of the PAN Card of the legal heir(s) / Nominee(s).
  7. Members who still hold share certificates in physical form are advised to dematerialise their shareholding to avail the benefits of dematerialization since trading in the equity shares of the company is compulsorily in dematerialized form for all investors. The ISIN (International Securities Identification Number) allotted to the Company's equity share is INE616F01014.
  8. Members are requested to send all communications relating to shares to the Company's Share Transfer Agent (Physical & Electronic) M/s. S. K. Infosolutions Pvt Ltd, 34/1A, Sudhir Chatterjee Street, Kolkata – 700 006.
  9. In furtherance of the Go Green Initiative, Members holding shares in physical mode are requested to register their e-mail ID's with S. K. Infosolutions Private Limited, the Registrars & Share Transfer Agents of the Company and Members holding shares in demat mode are requested to register their e-mail ID's with their respective Depository Participants (DPs) in case the same is still not registered.
  10. If there is any change in the e-mail ID already registered with the Company, members are requested to immediately notify such change to the Registrars & Share Transfer Agents of the Company in respect of shares held in physical form and to their respective Depository Participants in respect of shares held in electronic form.
  11. Members holding shares in electronic form are requested to intimate immediately, any change in their address or bank mandates to their Depository Participant(s) with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to advise any change in their address or bank mandates immediately to the Company or its Registrars and Share Transfer Agents, M/s S.K.Infosolutions Private Limited.
  12. In terms of Section 101 and 136 of the Companies Act, 2013 read together with the Rules made there under, the electronic copy of the Annual Report 2016-17, Notice of the 54<sup>th</sup> AGM of the Company along with the Admission Slip and Proxy Form are being sent to all the members whose email ids are registered with their respective Depository Participants (DPs).
  13. The Company or its Registrars & Share Transfer Agents for communication purposes unless any member has requested for a physical copy of the same.
  14. Physical copy of the Annual Report for 2016-17, the Notice of the 54<sup>th</sup> AGM of the Company along with the Admission Slip and Proxy Form are being sent to those members who have not registered their email addresses with the Company/ Depository Participants/ Registrars & Share Transfer Agents.
  15. Members may also note that the Annual Report for the financial year 2016-17 including the Notice convening the Fifty Fourth Annual General Meeting will also be available on the Company's website [www.rsdfinancelimited.com](http://www.rsdfinancelimited.com), which can be downloaded from the site. The physical copies

of the aforesaid documents will also be available at the Company's registered office in Kolkata for inspection during normal business hours on all the working days except Saturdays and Sundays. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, free of cost. For any communication, the members may also send their requests to the designated e-mail ID: **complianceofficer@rsdfinancelimited.com**

16. Pursuant to Section 72 of the Act, members holding shares in physical form are advised to file nomination in prescribed form SH – 13. Members desirous of making nominations may send their request in Form SH -13 in duplicate to the Registrars and Share Transfer Agents (RTA) of the Company. Members may obtain a blank Form SH -13 upon request to the Company or its RTA.
17. With a view to serving the Members better and for administrative convenience, an attempt would be made to consolidate multiple folios. Members who hold shares in identical names and in the same order of names in more than one folio are requested to write to the Company to consolidate their holdings in one folio.
18. Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of Companies Act, 2013 and Register of Contracts or arrangements in which Directors are interested maintained under Section 189 of the Companies Act, 2013 will be available for inspection by the members at the Annual General Meeting.

#### 19. E - Voting

All persons whose names are recorded in the Register of Members or in the Register of Beneficial owners maintained by the Depositories as on the cut-off date namely, 01<sup>st</sup> September, 2017 only shall be entitled to vote at the General Meeting by availing the facility of remote e-voting or by voting at the General Meeting.

#### A. VOTING THROUGH ELECTRONIC MEANS

- I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the Listing Agreement entered into with the Stock Exchange, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).
- II. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
- III. The remote e-voting period commences on (Monday) 04<sup>th</sup> September, 2017 (09:00 am) and ends on (Thursday) 07<sup>th</sup> September, 2017 (5:00 pm). During this period members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 01<sup>st</sup> September, 2017, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter.  
  
Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
- IV. A person who is not a member as on cut-off date should treat this Notice for information purpose only.
- V. The process and manner for remote e-voting are as under:
  - a. **In case a member receives an email from NSDL (for members whose email IDs are registered with the Company/ DP)**
    - (i) Open email and open PDF file viz; "remote e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-

voting. Please note that the password is an initial password.

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

- (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com>
- (iii) Click on Shareholder – Login
- (iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
- (v) Password change menu appears. Change the password/ PIN with new password of your choice with minimum 8 digits/ characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
- (vii) Select Electronic Voting Event No. (EVEN) of "RSDFINANCE LIMITED".
- (viii) Now you are ready for remote e-voting as Cast Vote page opens.
- (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
- (x) Upon confirmation, the message "Vote cast successfully" will be displayed.
- (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
- (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to [adubey87@gmail.com](mailto:adubey87@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

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

- (i) Initial password is provided in the Annexure or at the bottom of the Attendance Slip for the AGM (enclosed herewith)
- (ii) Please follow all steps from Sl. No. (ii) to (xii) above to cast vote.

## **B. VOTING AT AGM**

Members who have not cast their vote by remote e-voting can exercise their voting rights at the AGM. The Company will make arrangements of Ballot papers in this regard at the AGM Venue.

## **20. OTHER INSTRUCTIONS**

- I. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and remote e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990.
- II. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.
- III. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- IV. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 01st September, 2017.
- V. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 01st September, 2017, may obtain the login ID and password by sending an email to [complianceofficer@rsdfinancelimited.com](mailto:complianceofficer@rsdfinancelimited.com) or a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or Issuer/RTA by mentioning their Folio No./DP ID and Client ID No. However, if you are already registered with

- NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on www.evoting.nsdl.com or contact NSDL at the following toll free no.: 1800-222-990.
- VI. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM
- VII. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
- VIII. Mr. Anil Kumar Dubey, Practicing Company Secretary (Membership No. A26398 and CP No – 12588) has been appointed as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- IX. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of or "Ballot Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- X. The Scrutinizer shall, immediately after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favor or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- XI. The results declared along with the Scrutinizer's Report shall be placed on the company's website www.rsdfinancelimited.com and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited and CSE Limited, where the shares of the Company are listed.
- XII. Subject to receipt of requisite number of votes, the Resolutions shall be deemed to have been passed on the date of the AGM i.e., September 08, 2017.
21. The route map showing directions to reach to the venue of the 54<sup>th</sup> AGM is given at the end of this Notice as per the requirement of the Secretarial Standards-2.
22. All documents referred to in the Notice and Explanatory Statements will be available for inspection at the registered office and the administrative office of the Company, between 12.30 PM and 3.00 PM on all working days (i.e. except Saturdays, Sundays and Public holidays) up to the date of this AGM.
23. The names and address of the Stock Exchanges where at the Company's Equity Shares are listed, are given below:-
- The Calcutta Stock Exchange Limited**  
7, Lyons Range, Kolkata – 700 001
- The Bombay Stock Exchange Limited**  
PJ Towers, Dalal Street, Mumbai – 400 001

By Order of the Board of Directors  
RSD Finance Limited

Sd/-

**Rajeev Singh Dugal**  
Managing Director

Place: Jamshedpur

Date: 14th August, 2017

#### REQUEST TO MEMBERS

Members are requested to send their question(s), if any, relating to the financial statements, shareholding, etc., to the Company Secretary/Chief Financial Officer at the Registered Office of the Company, on or before Friday, September 01, 2017, so that the answers/ details can be kept ready at the AGM.



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**EXPLANATORY STATEMENT TO BE ANNEXED TO THE NOTICE PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 (HEREINAFTER CALLED 'THE ACT')**

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**Item No. 4**

Based on the recommendation of Nomination and Remuneration Committee, the Board of Directors, at its meeting held on December 28, 2016, had appointed Ms. Upneet Dugal (DIN – 07680726), Daughter of Mr. Rajeev Singh Dugal, as an Additional (Executive) Director under Section 161 (1) of the Companies Act, 2013 and Article 27 of the Articles of Association of the Company. Accordingly, Ms. Upneet Dugal holds office as a Director up to the date of the forthcoming Annual General Meeting. It is proposed to appoint her as a Director of the Company liable to retire by rotation.

The Company has received a notice in writing along with the deposit of requisite amount under Section 160 of the Act from a member proposing Ms. Upneet Dugal as a candidate for the office of a Director of the Company. The Board considers it desirable that the Company should continue to avail itself of the services of Ms. Upneet Dugal as Director and accordingly recommends the Resolution at Item No. 4 for approval by the Members.

On the recommendation of the Nomination & Remuneration Committee, the Board, at its meeting held on August 14, 2017 approved the terms and conditions of Ms. Upneet Dugal appointment, subject to the approval of the shareholders.

The main terms and conditions relating to the appointment of Ms. Upneet Dugal as an Executive Director of the Company are as follows:

- i) Basic Salary: The basic salary shall be in the range of 75,000/- to 1,00,000/- per month including any prerequisites and allowances, If any.
- ii) Commission: Commission will be decided by the Board of Directors/ Committees of the Board from time to time. The Commission in a particular year shall be subject to the overall ceiling laid down under Section 197 of the Companies Act, 2013.
- iii) Annual Increments - The annual increments will be decided by the Board of Directors/ Committees of the Board and will be merit-based and take into account Company's performance, subject to the ceiling prescribed under Section 197 and Schedule V of the Companies Act, 2013

Accordingly, the Board recommends passing of the Ordinary Resolution proposed at Item No. 4 of the Notice.

Brief profile of Ms. Upneet Dugal and the disclosures required under Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are given as additional information about the Directors, which forms part of the Notice.

None of the Directors/ Key Managerial Personnel of the Company or their relatives, except Ms. Upneet Dugal, being an appointee, and Mr. Rajeev Singh Dugal, father of Ms. Upneet Dugal, is in any way concerned or interested, financially or otherwise, in the Resolution set out at Item No. 4 of the Notice.

**Item No. 5**

Pursuant to Section 188 of the Companies Act, 2013 ("the Act"), read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 the Company is required to obtain consent of the Board and prior approval of the members by resolution in case certain Related Party Transactions exceed such sum as is specified in the rules. The aforesaid provisions are not applicable in respect transactions entered into by the Company in the ordinary course of business on an arm's length basis.

However, pursuant to Regulation 23(4) of SEBI LODR, 2015, approval of the shareholders through Ordinary Resolution is required for all 'material' related party transactions (RPT) even if they are entered into in the ordinary course of business on an arm's length basis. For this purpose, a RPT will be considered 'material' if the transaction / transactions to be entered into individually or taken together with previous transactions during a financial year exceeds 10% of the annual consolidated turnover of the Company as per the last audited financial statements of the Company.

The following transactions entered into by the Company with Sigma HTS LLP, a step down subsidiary LLP and therefore a related party, during the current financial year, even though are in the ordinary course of business and on an arm's length basis, they exceed 10% of the annual consolidated turnover of the Company as per the audited financial statements of the Company.

**The particulars of the contracts / arrangements / transactions are as under:**

<b>PARTICULARS</b>	<b>INFORMATION</b>
<b>Name of the Related Party</b>	Sigma HTS LLP
<b>Name of Director(s) or Key Managerial Personnel who is related</b>	Mr. Rajeev Singh Dugal, Ms. Upneet Dugal and Mr. Sushil Kumar Khowala
<b>Nature of Relationship</b>	Precision Automotive Private Limited holds 65% of the profit sharing ratio of Sigma HTS LLP which is a wholly owned subsidiary of RSD Finance Limited
<b>Nature of the Contracts / arrangements / transactions</b>	Assignment of a Debt due to the Company
<b>Material terms of the contracts/arrangements/ transactions</b>	To be determined on arm's length basis
<b>Monetary Value</b>	7.50 crores
<b>Salient terms of contract</b>	The Company had provided loan to M/s. Santosh Trust which defaulted in repayment of the same on the due date. The Company further assigned all the receivables in respect of the loan along with rights, title and interest to Sigma HTS LLP
<b>Are the transactions in the ordinary course of business and arm's length basis</b>	Yes
<b>Any other information relevant or important for the members to make a decision on the proposed transactions</b>	None

The above transaction has been approved by the Audit Committee as per the provisions of the Companies Act, 2013 and the SEBI LODR, 2015. In view the above, it is proposed seek approval of the members of the Company through an Ordinary resolution for the above transactions and the related parties are abstained from voting on the resolution as set out at Item No. 5.

None of the Directors, Key Managerial Personnel or their relatives is directly or indirectly concerned or interested, financially or otherwise, except those mentioned above to the extent of his/ her respective shareholding, if any, in the Company, in the resolution set out in item no. 5 of the Notice.

The Board recommends the Resolution at Item No.5 of the Notice for approval of the Members.

**Item No. 6 & 7**

The existing MOA and AOA are in line with the erstwhile Companies Act 1956, which are thus no longer in full conformity with the Companies Act, 2013 ('New Act').

Hence, it is considered expedient to suitably amend the MOA and the AOA to bring them in conformity with the new Companies Act, 2013. The proposed new draft MOA and AOA are being uploaded on the Company's website for perusal by the shareholders. during the meeting and can be inspected by

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members during the business hours at the registered office of the company on all working days (i.e. except Saturdays, Sundays and public holidays) till the date of 54th AGM.

None of the Directors / Key Managerial Personnel of the Company/ their relatives is, in any way, concerned or interested, financially or otherwise, in the Special Resolution set out at Item No. 6 & 7 of the Notice. The Board recommends the Special Resolution set out at Item No. 6 & 7 of the Notice for

approval by the shareholders.

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

Sd/-

**Mr. Rajeev Singh Dugal  
Managing Director**

Place: Jamshedpur  
Date: 14<sup>th</sup> August, 2017

**ADDITIONAL INFORMATION (AS ON MARCH 31, 2017) OF DIRECTORS SEEKING APPOINTMENT AT THE FIFTY FOURTH ANNUAL GENERAL MEETING PURSUANT TO REGULATION 36 OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND CLAUSE 1.2.5 OF SECRETARIAL STANDARDS ON GENERAL MEETINGS NOTIFIED ON APRIL 23, 2015**

Name of the Director	Ms. Upneet Dugal
Date of Birth	26-09-1992
Nationality	Indian
Date of Appointment on the Board	28-12-2016
Qualifications	Bachelor in Business Administration
Expertise in specific functional area	Business Development
Terms & conditions of Appointment & Remuneration	As per the Nomination & Remuneration Policy of the Company.
Number of shares held in the Company	NIL
List of the directorships held in other companies	NIL
Number of meeting of Board attended during the year	No. of meetings held after her appointment – 4 No. of Board meetings attended - 4
Chairman/ Member in the Committees of the Boards of companies in which he is Director	Chairman – NIL Member - NIL
Relationships between Directors inter-se	Daughter of Mr. Rajeev Singh Dugal (Managing Director)

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

*Sd/-*

**Mr. Rajeev Singh Dugal  
Managing Director**

Place: Jamshedpur  
Date: 14<sup>th</sup> August, 2017

# DIRECTORS' REPORT

To,  
The Members  
**RSD Finance Limited**

Your Directors have pleasure in presenting their Fifty- Fourth Annual Report together with the Audited Standalone and Consolidated financial statements of your Company for the year ended 31st March, 2017.

## 1. KEY FINANCIAL HIGHLIGHTS

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

(AMT. IN RUPEES)

PARTICULARS	STANDALONE		CONSOLIDATED	
	Year Ended March 31, 2017	Year Ended March 31, 2016	Year Ended March 31, 2017	Year Ended March 31, 2016
Revenue from Operations	6,66,44,333	3,75,66,984	39,18,28,138	40,61,88,760
Other Income	75,89,107	2,03,28,496	3,72,89,489	57,60,0560
Total Revenue	7,42,33,440	5,78,95,481	42,91,17,627	46,37,89,320
Total Expenses	2,22,70,854	2,89,94,880	29,23,60,419	32,77,65,897
Profit for the year before tax	5,19,62,586	2,89,00,601	13,67,57,207	13,60,23,423
Less : Provision for Taxation				
Current Tax	92,30,949	29,22,154	2,61,79,435	26,307,850
Deferred Tax	61,558	(55,242)	40,99,942	4,163,371
Less : Minority Interest	-	-	63,86,344	5,874,394
<b>Profit during the year</b>	<b>4,26,70,079</b>	<b>2,60,33,689</b>	<b>10,00,91,487</b>	<b>99,677,808</b>
Add : Profit B/F from previous Year	23,34,12,071	21,23,29,384	33,60,97,390	24,81,76,625
Sub Total	27,60,82,150	23,83,63,073	43,61,88,877	34,78,54,433
Less: P/L Appropriation	187,756	(255,736)	3,83,170	(2,80,226)
Less : Transferred to Statutory Reserve	85,34,016	52,06,738	85,34,016	52,06,738
Less: Proposed Dividend including DDT	-	-	68,30,531	68,30,531
<b>Balance C/f to Balance Sheet</b>	<b>26,73,60,377</b>	<b>23,34,12,071</b>	<b>42,04,41,160</b>	<b>33,60,97,390</b>

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## 2. BUSINESS PERFORMANCE REVIEW

During the financial year 2016-17, the revenue from operations on standalone basis increased to Rs. 666.44 Lakh as against Rs. 375.67 Lakh in the previous year – a growth of 77.40%.

The Profit after Tax for the current year is Rs. 426.70 Lakh as against Rs. 260.34 lakhs in the previous year – a growth of 63.90%. The growth in profit is mainly driven by increase in revenue from operations.

The main operations of the Company are that of investment. The main source of income is in the form of interest. The Company has received an Interest income of Rs. 596.65 lakhs during the year.

On a Consolidated basis, the revenue from operations of the group decreased to Rs. 3,918.28 Lakh as against Rs. 4061.89 Lakh in the previous year - a decrease of about 3.54%. However, the profit for the period after tax and minority interest increased which is Rs. 1000.91 Lakh as against Rs. 996.78 Lakh in the previous year - a growth of 0.41%

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

## 3. FUTURE PROSPECTS

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

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

The Company is hopeful of making full use of the growth opportunities available to it.

## 4. DIVIDEND

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

## 5. RESERVES

The Company proposes to transfer Rs. 85.34 lakhs to the statutory reserves and an amount of Rs. 2673.60 lakhs is proposed to be retained in the P/L account during the Financial Year 2016-17.

## 6. CHANGE IN THE NATURE OF BUSINESS

During the year under review, there are no changes in the nature of the business of the Company.

## 7. SHARE CAPITAL

The Equity shares of the Company are listed on the BSE and the CSE. The paid up Equity Share Capital as on March 31, 2017 was Rs. 6.47 crores. The Company has neither issued shares with differential rights as to dividend, voting or otherwise nor issued shares (including sweat equity shares) to the employees or Directors of the Company, under any Scheme.

## 8. PUBLIC DEPOSIT

The Company has not accepted any deposit from the public during the financial year within the meaning of Section 73 of the Companies Act, 2013 or the Companies (Acceptance of Deposits) Rules, 2014 nor does it hold any public deposit.

## 9. FINANCIAL LIQUIDITY

The Company's cash and cash equivalents as on March 31, 2017 was Rs. 112.73 lakhs compared to Rs. 14.33 lakhs as on March 31, 2016. The Company continues to focus on judicious management of its working capital. Receivables and other working capital parameters were kept under strict check through continuous monitoring.

## 10. SUBSIDIARY COMPANIES AND CONSOLIDATED FINANCIAL STATEMENTS

As per Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "Listing Regulations") and applicable provisions of the Companies Act, 2013 read with the Rules issued thereunder, the Consolidated Financial Statements of the Company for the financial year 2016-17 have been prepared in compliance with applicable Accounting Standards and on the basis of audited financial statements of the Company and its subsidiary companies, as approved by the respective Board of Directors.

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

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

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

## 11. PERFORMANCE OF SUBSIDIARIES

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

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

The Company has recently invested in a Limited Liability Partnership – Sigma HTS LLP, a contribution of 65% in the capital and the same in the profit sharing ratio. It is located nearby the Steel City of India – Jamshedpur and has setup a heat treatment plant with prime focus on heat treatment of cups & cones.

The project involves setting up of state of the art heat treatment facility. The cups and cones which will be heat treated are very sophisticated and requires stringent quality control. The final customer of these products will be Indian Railways and American Rail Road. The project involves investment of around 30.00 crores initially and may go upto 50 crores in next stage.

During the year, the revenue from operations of PAPL decreased from Rs. 16.26 Crores in the previous year to Rs. 13.68 crores. Whereas, the net profit before tax during the period increased from Rs. 5.02 crores to Rs. 6.71 crores.

### ii) S R P OIL PRIVATE LIMITED

The Company continues to hold 52.55% shares in SRP Oil Private Limited. The Company is engaged in the business of Hotel Industries. It is carrying business in the brand name of "The Hotel Alcor" in Jamshedpur, Jharkhand.

Net sales of SRP Oil decreased from Rs. 15.25 crores in the previous year to Rs. 14.67 crores during 2016-17. However, the net profit before tax increased from Rs. 1.76 crores to Rs. 1.96 crores during the FY 2016-17.

The Company does not have any associate or joint venture Companies. Pursuant to the provisions of Section 129(3) of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014, a statement containing the salient features of the

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financial position of the above mentioned subsidiary Companies in Form AOC-1 is attached as “Annexure – 1” and forms a part of this Report.

## 12. LISTING

The Equity Shares of the Company got the trading approval from the Bombay Stock Exchange (BSE) on May 13, 2016. The shares of the Company continue to be listed on the CSE Limited (CSE). The scrip code number of the Equity Shares of the Company on BSE is 539875 and on CSE is 28123 respectively.

The Annual Listing Fee for the Financial Year 2017-18 has been duly paid within the stipulated time to both the Stock Exchanges.

## 13. DIRECTOR AND KEY MANAGERIAL PERSONNEL

Ms. Anureet Kaur, Independent Director of the Company stepped down from the Board with effect from June 14, 2017. The Board places on record its sincere appreciation for her contributions and guidance to the Company.

The Board of Directors has appointed Ms. Upneet Dugal (DIN: 07680726) as an Additional Director and designated her as an Executive Director of the Company with effect from December 28, 2016. In terms of Section 161 of the Companies Act, 2013, Ms. Upneet Dugal holds office up to the date of ensuing Annual General Meeting. The Company has received requisite notice in writing from a member proposing her name for the office of Director. Accordingly, the Board recommends the appointment of Ms. Upneet Dugal as an Executive Director of the Company.

In accordance with the provisions of the Companies Act, 2013 and Articles of Association of the Company, Mr. Roop Narayan Choudhary, Director of the Company retires by rotation and is eligible, but does not offer himself for re-appointment. The Board does not intend the appointment any other Director in place of the Retiring Director.

All the directors of the Company have confirmed that they are not disqualified from being appointed as

Directors in terms of Section 164 of the Companies Act, 2013.

Mr. Rajeev Singh Dugal (Managing Director), Mr. Rechan Chhabra (Chief Financial Officer) and Ms. Puja Choudhary (Company Secretary) are the Key Managerial Personnel (KMP) of the Company, pursuant to the provisions of the Company Act, 2013 as on the date of this report.

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

## 14. DECLARATION BY INDEPENDENT DIRECTORS

The Company has received declarations from all the Independent Directors that they meet the criteria as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16 of the SEBI Listing Regulations, 2015.

The Board confirms that the said Independent Directors meet the criteria as laid down under the Companies Act, 2013 as well as the SEBI Listing Regulations, 2015.

## 15. SEPARATE MEETING OF INDEPENDENT DIRECTORS

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



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## **16. BOARD AND ITS COMMITTEES**

### **BOARD MEETINGS**

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

### **COMMITTEES OF THE BOARD**

The Board has formulated the following Committees:

1. Audit Committee
2. Nomination and Remuneration Committee
3. Stakeholder's Relationship Committee

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

## **17. BOARD EVALUATION**

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

The Board's functioning was evaluated on various aspects, including inter alia degree of fulfillment of key responsibilities, board structure and composition, establishment and delineation of responsibilities to various Committees, effectiveness of Board processes. The Directors were evaluated on aspects such as attendance and contribution at Board/ Committee Meetings and guidance/ support to the management outside Board/ Committee Meetings.

In addition, the Managing Director was evaluated on key aspects of his role, including setting the strategic agenda of the Board, encouraging active engagement

by all Board members and motivating and providing guidance to the Management. Areas on which the Committees of the Board were assessed included degree of fulfillment of key responsibilities, adequacy of Committee composition and effectiveness of meetings.

The performance evaluation of the Independent Directors was carried out by the entire Board, excluding the Director being evaluated. The performance evaluation of the Non Independent Directors was carried out by the Independent Directors, who also reviewed the performance of the Board as a whole.

## **18. INTERNAL FINANCIAL CONTROLS**

The Company has in place adequate internal financial controls. This ensures that all transactions are authorised, recorded and reported correctly and assets are safeguarded and protected against loss from unauthorized use or disposition.

We have documented policies and procedures covering all financial and operating functions and processes. The Company's internal control system is commensurate with its size, scale and complexities of its operations.

The internal audit is entrusted to M/s. Heerwal & Associates, a reputed firm of Chartered Accountants. The scope and authority of the Internal Auditors are clearly defined.

The Audit Committee oversees and reviews the functioning of the entire audit team and the effectiveness of internal control system at all levels and monitors the implementation of audit recommendations. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee.

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

## **19. CONSERVATION OF ENERGY, TECHNOLOGICAL ABSORPTION AND**

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## **FOREIGN EXCHANGE EARNING & OUTGO**

Since the Company is a non-banking finance Company and does not own any manufacturing facility, the requirement relating to providing the particulars relating to conservation of energy and technology absorption as per Section 134 (3) (m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules 2014, are not applicable.

During the year, your Company did not earn any income or incur any expenditure in foreign currency/exchange

## **20. RELATED PARTY TRANSACTION**

All Related Party Transactions entered into by your Company during the financial year were on arm's length basis and were in the ordinary course of business. No materially significant related party transactions were made by the Company with its Promoters, Key Managerial Personnel or other designated persons which may have potential conflict with interest of the Company at large.

The Directors draw attention of the members to Notes to the financial statement which sets out details of related party transactions.

The Company had assigned some of its debts for recovery to Sigma HTS LLP. Sigma HTS LLP is a limited liability partnership in which Precision Automotive Private Limited (Wholly owned Subsidiary of the Company) and Mr. Rajeev Singh Dugal (Managing Director of the Company) are partners. The said transactions were in the ordinary course of business and at arm's length basis. Necessary resolution for approval of the members has been included in the notice convening the ensuing AGM and the details have been mentioned in the explanatory statement of the notice. The Directors recommend the resolution.

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

The Form AOC - 2 pursuant to Section 134 (3) (h) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014 is annexed as "Annexure – 2" and forms a part of this report.

## **21. RISK MANAGEMENT POLICY**

In terms of Section 134(3)(n) of the Act, your Directors wish to state that the Company has drawn and implemented a Risk Management Policy including identification of elements of risks, if any, which may threaten the existence of the Company. The above policy is being reviewed/re-visited once a year or at such other intervals as deemed necessary for modifications and revisions, if any.

## **22. CORPORATE SOCIAL RESPONSIBILITY (CSR)**

The provisions of Corporate Social Responsibility is applicable on the Company from the Financial Year 2017-18 as the net profits of the Company has exceeded the prescribed limited as per Section 135 of the Companies Act, 2013. The Board has constituted a CSR Committee and the same shall recommend a policy to the Board. The Board of Directors shall take all steps as may be required to contribute to the society at large.

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

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

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

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

During the year under review, no employee was denied access to the Audit Committee. The said policy is available on the website of the Company.

## **24. POLICY FOR APPOINTMENT AND REMUNERATION:**

The Board has, on recommendation of the Nomination and Remuneration Committee, formulated a policy for selection and appointment of Directors, senior managements and their remuneration. The said policy is annexed as “Annexure – 3” and forms a part of this report.

## **25. STATUTORY AUDITORS**

The financial statements for the year under review have been audited by M/s. Manisha Gupta & Associates (FRN- 017879C), Chartered Accountants, Statutory auditors of the Company.

In terms of Section 139 of the Companies Act, 2013 and the rules framed thereunder, M/s. Manisha Gupta & Associates, Chartered Accountants were appointed as the Statutory Auditor of the Company at the 51<sup>st</sup> AGM held on 30<sup>th</sup> September, 2014 for a period of 3 years subject to the ratification of their appointment at every AGM held thereafter and their period expires at the conclusion of this Annual General Meeting.

The Directors recommend the appointment of M/s. Prasad Kumar & Co., Chartered Accountants (Firm Regn. No. 008816C) as the Statutory Auditors in place of the retiring auditors to hold office for a term of five (5) consecutive years from the conclusion of this Annual General Meeting, until the conclusion of the 59<sup>th</sup> Annual General Meeting of the Company, i.e. till the financial year 2021 – 2022.

The resolutions seeking approval of the members for appointment of the Statutory Auditors and fixation of their remuneration are included in the notice convening the ensuing Annual General Meeting. The above said appointment attracts the provisions of Section 139,142,143 and all other applicable provisions, if any, of the Companies Act, 2013 and rules thereunder. Your Company has obtained the consent and a certificate from the statutory auditors under section 139 of the Companies Act, 2013 to the

effect that their appointment, if made, would be in accordance with the conditions as may be prescribed.

## **26. SECRETARIAL AUDITOR**

In terms of Section 204 of the Companies Act, 2013 and the rules framed thereunder, the Company had appointed Mr. Sital Prasad Swain, Practicing Company Secretary (Membership No. F6338 & CP No – 6814) to undertake the Secretarial Audit of the Company.

The Secretarial Audit Report for the financial year ended 31<sup>st</sup> March, 2017 is annexed as “Annexure -4” and forms a part of this report.

## **27. AUDITORS' REPORT**

### **a) STATUTORY AUDITOR'S REPORT**

In terms of Section 134(2) and 134(3)(ca) of the Act, your Directors are pleased to inform that there are no qualification, reservation or adverse remark or disclaimer made by the statutory auditors of the Company in their audit report for the financial year FY16-17.

### **b) SECRETARIAL AUDIT REPORT**

There are no qualifications, reservation or adverse remark or disclaimer in Secretarial Audit Report provided by Mr. Sital Prasad Swain, Practicing Company Secretary (Membership No. F6338 & CP No – 6814)

## **28. DIRECTORS RESPONSIBILITY STATEMENT**

To the best of their knowledge and belief and according to the information and explanations obtained, your Directors make the following statement in terms of Section 134 (3)(c) and 134 (5) of the Companies Act, 2013:

- (a) that in the preparation of Annual Accounts for the financial year ended March 31, 2017, the applicable Accounting Standard has been followed;

- (b) that the Directors have 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 March 31, 2017 and the Statement of Profit and Loss for financial year ended March 31, 2017;
- (c) that proper and sufficient care have been taken for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding assets of the Company and for preventing and detecting frauds and other irregularities;
- (d) that the Annual Accounts have been prepared on a 'going concern' basis;
- (e) that proper internal financial controls laid down by the Directors is being followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- (f) that proper system to ensure compliance with the provisions of all applicable laws as devised by the Directors are in place and that such systems are adequate and operating effectively.

## 29. PARTICULARS OF EMPLOYEES

During FY16-17, your Company had not employed anyone with a remuneration of 102 Lakh or more per annum nor had employed for a part of the year with a remuneration of 8.5 Lakh or more. The ratio of remuneration of each Director to the median of employees remuneration and such other details as required under Sec 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, is provided in the "Annexure – 5" and forms part of this report.

## 30. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

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

## 31. PREVENTION OF INSIDER TRADING

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

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

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

## 32. EXTRACT OF ANNUAL RETURN

In terms of the provisions of Section 92 (3) of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, an extract of the Annual Return for the financial year March 31, 2017 in Form MGT-9 is given in "Annexure – 6" and forms a part of this report.

## 33. MANAGEMENT DISCUSSION AND ANALYSIS

In terms of Chapter IV of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Management Discussion and Analysis Report on the operations of the Company is provided as a separate section and forms part of the Annual Report.

## 34. CORPORATE GOVERNANCE

The Company has taken adequate steps to ensure that all mandatory provisions of Corporate Governance, in terms of Regulation 34 of the Securities Exchange Board of India (Listing

Obligations and Disclosure Requirements) Regulations, 2015 are complied with.

The Report on Corporate Governance as stipulated under Chapter IV of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms part of the Annual Report. The Auditors Certificate confirming compliance with Chapter IV of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is given in as a separate section and forms part of the Annual Report.

### **35. SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS**

Your Directors confirm that there are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's future operations.

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

There have been no instances of fraud reported by the Auditors under Section 143(12) of the Act.

### **37. HUMAN RESOURCES**

Your company continues to put due emphasis on appropriate human resource development for its business. The employees of the Company and the group fully identify with the Company's and the groups vision and business goals.

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

No material changes or events affecting the financial position of the Company have occurred between the end of the financial year of the Company to which the financial Statements relates and the date of this report.

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

The Company has zero tolerance for sexual harassment at workplace and has adopted a Policy

on Prevention, Prohibition and Redressal of Sexual Harassment at the 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 Policy aims to provide protection to employees at the workplace and prevent and redress complaints of sexual harassment and for matters connected or incidental thereto, with the objective of providing a safe working environment, where employees feel secure.

The Company has not received any complaint of sexual harassment during the financial year 2016-17.

### **40. APPRECIATION**

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

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

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

For and on behalf of the Board of Directors

Sd/-

**Rajeev Singh Dugal**

Managing Director

DIN – 00052037

Sd/-

**Sushil Kumar Khowala**

Director

DIN – 00224539

Place: Jamshedpur

Date: August 14, 2017

# Annexure - 1 to the Directors' Report - FORM AOC-1

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

## STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARIES Part "A" - Subsidiaries

(Amount in Rs.)

Sl. No.	Particulars	1	2
1	Name of the Subsidiary	Precision Automotive Pvt. Ltd	S R P Oil Pvt. Ltd
2	Date since when the subsidiary was acquired	15.11.2013	30.09.2015
3	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	April, 16 - March, 17	April, 16 - March, 17
4	Reporting currency and exchange rate as on the last date of the relevant Financial Year in the case of foreign subsidiaries	Indian Rupees	Indian Rupees
5	Share capital	6,81,00,000 (1000 Equity Shares of Rs. 100 each and 68,00,000 Preference Shares of Rs. 10 each)	4,91,70,000 (49,17,000 Equity Shares of Rs. 10 each)
6	Reserves & Surplus	67,44,04,012	26,07,88,635
7	Total Assets	82,29,37,455	40,63,61,642
8	Total Liabilities	82,29,37,455	40,63,61,642
9	Investments	74,07,98,800	17,20,87,212
10	Turnover	12,18,32,736	14,66,77,356
11	Profit before taxation	6,51,55,134	1,96,27,872
12	Provision for Taxation (Tax Expenses)	1,49,02,127	60,83,889
13	Profit after taxation	5,02,53,008	1,35,43,984
14	Proposed Dividend (Inclusive of DDT)	68,30,531	NIL
15	% of shareholding	100% Equity	52.55% Equity

- Names of subsidiaries which are yet to commence operations: **NOT APPLICABLE.**
- Names of subsidiaries which have been liquidated or sold during the year: **NOT APPLICABLE**
- No Company has become a Joint venture or associate during the financial year 2016-17, hence Part – B of form AOC- 1 is not reported.

For and on behalf of the Board of Directors

Place: Jamshedpur  
Date: August 14, 2017

Sd/-  
Rajeev Singh Dugal  
Managing Director  
DIN – 00052037

Sd/-  
Sushil Kumar Khowala  
Director  
DIN - 00224539

## Annexure - 2 to the Directors' Report - Form No AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

### PARTICULARS OF CONTRACTS/ARRANGEMENTS ENTERED INTO BY THE COMPANY WITH RELATED PARTIES

#### 1. Details of contracts or arrangements or transactions not at arm's length basis:

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

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

Name of the related party and nature of relationship	SIGMA HTS LLP
Nature of contracts/ arrangements/ transactions	Assignment of a Debt
Duration of the contract/ arrangements/ transactions	Not Specified
Salient terms of the contracts or agreements or transactions including the value, if any	Assignment of debt for recovery
Date(s) of approval by the Board, if any	Not applicable as the contract was entered in the ordinary course of business and arm's length price.
Amount paid as advances, if any	Rs. 2,00,000/-

For and on behalf of the Board of Directors

Sd/-

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

Sd/-

**Sushil Kumar Khowala**  
Director  
DIN - 00224539

Place: Jamshedpur

Date: August 14, 2017

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## Annexure - 3 to the Directors' Report

### NOMINATION AND REMUNERATION POLICY

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

#### **Definitions:**

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

“**Key Managerial Personnel**” means:

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

“**Senior Managerial Personnel**” mean the personnel of the company who are members of its core management team excluding Board of Directors. Normally, this would comprise all members of management of rank equivalent to General Manager and above, including all functional heads.

#### **Objective:**

The objective of the policy is to ensure that :-

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

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

- a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at



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Senior Management level and recommend his / her appointment, as per Company's Policy.

- b) A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has authority to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the position.
- c) Appointment of Independent Directors is subject compliance of provisions of section 149 of the Companies Act, 2013, read with schedule IV and rules there under.
- d) The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution.
- e) The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Regulations and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position / remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

#### **TERM / TENURE**

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

- i. The Nomination and Remuneration Committee shall identify a person according to the requirements of the Company for the above position and recommend their appointment to the Board including the terms of appointment and remuneration.

- ii. The Board shall consider the recommendation of the NRC and accordingly approve the appointment and remuneration. The appointment of MD, JMD, WTD shall be subject to the approval of the Shareholders.
- iii. Appointment of other employees will be made in accordance with the Company's HR Policy.

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

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

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

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

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

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

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## **EVALUATION**

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

## **REMOVAL**

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

## **POLICY FOR REMUNERATION TO DIRECTORS/ KMP/ SENIOR MANAGEMENT PERSONNEL**

### **1) Remuneration to Managing Director:**

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

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

- a) The Non-Executive / Independent Directors may receive sitting fees for attending meeting of the Board and the committee and such other remuneration as permissible under the provisions of Companies Act, 2013. The amount of sitting fees shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors.
- b) The profit-linked Commission shall be paid within the monetary limit approved by the Shareholders of the Company subject to the same not exceeding 1% of the net profits of the Company computed as per the applicable provisions of the Regulations.
- c) An Independent Director shall not be eligible to get Stock Options and also shall not be eligible to participate in any share based payment schemes of the Company. Non-Executive Directors are eligible for Stock Options as approved by the shareholders.
- d) Any remuneration paid to Non- Executive / Independent Directors for services rendered which are of professional in nature shall not be considered as part of the remuneration for the purposes of clause (b) above if the following conditions are satisfied:
  - i) The Services are rendered by such Director in his capacity as the professional; and
  - ii) In the opinion of the Committee, the director possesses the requisite qualification for the practice of that profession.

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

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

- a) The remuneration to Key Managerial Personnel and Senior Management shall consist of fixed pay and incentive pay, in compliance with the provisions of the Companies Act, 2013 and in accordance with the Company's Policy.
- b) Remuneration of Executive Directors, Key Managerial Personnel and Senior Management is determined and recommended by the Nomination & Compensation Committee and approved by the

Board. Remuneration of Executive Directors is also subject to the approval of the shareholders.

- c) The Incentive pay shall be decided based on the balance between performance of the Company and performance of the Key Managerial Personnel and Senior Management, to be decided annually or at such intervals as may be considered appropriate.

**IMPLEMENTATION**

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

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

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# Annexure - 4 to the Directors' Report

## SECRETARIAL AUDIT REPORT

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

**FOR THE FINANCIAL YEAR ENDED MARCH 31, 2017**

To  
**The Members,  
RSD Finance Limited**

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

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit and subject to my separate letter attached as "ANNEXURE – A", I hereby report that in my opinion, the Company has, during the financial year ended on March 31, 2017 (the audit period) complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

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

- i. The Companies Act, 2013 (the Act) and the Rules made there under;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowing. (Not applicable on the Company during the Audit Period)
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act):-
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (Not Applicable to the Company during the Audit Period);
  - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 w.e.f. October 28, 2014; (Not Applicable to the Company during the Audit Period);
  - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not Applicable to the Company during the Audit Period);

f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not Applicable to the Company during the Audit Period); and

The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not Applicable to the Company during the Audit Period);

vi. Rules, Regulations and Guidelines issued by the Reserve Bank of India as are applicable to Non - Deposit taking Non-Banking Financial Companies which are applicable to the Company.

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

i) SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015; and

ii) Secretarial Standards issued by The Institute of Company Secretaries of India.

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

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

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and

clarifications on the agenda items before the meeting and for meaningful participation at the meeting. As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.

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

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

Based on such checks as considered appropriate and documents provided by the Company, I observed that the specific laws, as applicable to the Company are being duly complied with.

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

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

Sd/-

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

Place: Jamshedpur  
Dated: May 30, 2017

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## ANNEXURE “A”

To

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

My Secretarial Audit Report for the financial year March 31, 2017 of even date is to be read along with this annexure.

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

**Sd/-**

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

Place: Jamshedpur  
Date: May 30, 2017

## Annexure - 5 to the Directors' Report

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

I.

A. The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2016-17:

Name of Director	Designation	Ratio to median remuneration of Employees
Rajeev Singh Dugal	Managing Director	8.77
Upneet Dugal* (Appointed from 28.12.2016)	Executive Director	1.64

The Non-Executive Directors of the Company are entitled for sitting fees as per the statutory provisions and within the limits approved by the shareholders. The details of remuneration of Non-executive Directors are provided in the Corporate Governance Report. The ratio of remuneration and percentage increase in remuneration for Non-executive Directors is therefore not considered for the above purpose.

B. The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial Year 2016-17:

Sl. No.	Name of Director / KMP	Designation	% increase in Remuneration
1.	Rajeev Singh Dugal	Managing Director	NIL
2.	Upneet Dugal (Appointed w.e.f 28.12.2016)	Executive Director	NIL
3.	Rechan Chhabra	Chief Financial Officer	53.21%
4.	Simi Sen (Upto 31.05.2016)	Company Secretary	NIL
5.	Puja Choudhary (Appointed w.e.f 01.06.2016)	Company Secretary	NIL

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**C. The percentage increase in the median remuneration of the employees in the FY 2016 - 2017:-** There has been an increase of 7.00 % in the median remuneration of the employees of the Company in FY 2016 - 2017 as compared to FY 2015 - 2016.

**D. The number of permanent employees on the rolls of the Company as on 31st March, 2017:-** There were 12 employees on the rolls of the Company.

**E. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:-**There is 15.72% increase in the salaries of employees other than managerial personnel and 19.93% average increase in the salaries of managerial personnel during the year.

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

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

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

For and on behalf of the Board of Directors

Sd/-  
Rajeev Singh Dugal  
Managing Director  
DIN – 00052037

Sd/-  
Sushil Kumar Khowala  
Director  
DIN - 00224539

Place: Jamshedpur  
Date: August 14, 2017



## Annexure - 6 of the Directors' Report

**FORM NO. MGT 9**  
**EXTRACT OF ANNUAL RETURN**  
**As on financial year ended on March 31, 2017**

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

### 1. REGISTRATION & OTHER DETAILS:

i	Corporate Identity Number	L17222WB1963PLC025749
ii	Registration Date	February 4, 1963
iii	Name of the Company	RSD Finance Limited
iv	Category/Sub-category of the Company	Public Company/ Limited By Shares
v	Address of the Registered office & contact details	224, A J C Bose Road, Krishna Building, 9th Floor, Room no - 902, Kolkata, West Bengal - 700 017
vi	Whether listed company	Yes
vii	Name , Address & contact details of the Registrar & Transfer Agent, if any.	S K Infosolutions Pvt Ltd, 34/1A, Sudhir Chatterjee Street Kolkata - 700 006 Contact No. - 033 - 22196797/ 4815

### 2. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

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

SL No	Name & Description of main products/services	NIC Code of the Product /service	% to total turnover of the company
1	Other Investing & Financing Activities	6499-64990	90%
2	Treatment and Coating of metals	2592-25920	10%

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

SI No	Name & Address of the Company	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
1	Precision Automotive Pvt. Ltd.	U35900DL2005PTC319493	SUBSIDIARY	100%	2(87)
2	S R P Oil Pvt. Ltd.	U23209DL1996PTC303594	SUBSIDIARY	52.55%	2(87)

#### 4. SHAREHOLDING PATTERN (Equity Share capital Break up as % to total Equity)

##### i. Category Wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/HUF	4058520	0	4058520	62.70%	4058520	0	4058520	62.70%	0.00%
b) Central Govt. or State Govt.	-	-	-	-	-	-	-	-	-
c) Bodies Corporates	-	-	-	-	-	-	-	-	-
d) Bank/FI	-	-	-	-	-	-	-	-	-
e) Any other	791000	0	791000	12.22%	791000	0	791000	12.22%	0.00%
<b>SUB TOTAL: (A) (1)</b>	<b>4849520</b>	<b>0</b>	<b>4849520</b>	<b>74.92%</b>	<b>4849520</b>	<b>0</b>	<b>4849520</b>	<b>74.92%</b>	<b>0.00%</b>
<b>(2) Foreign</b>									
a) NRI- Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks/FI	-	-	-	-	-	-	-	-	-
e) Any other...	-	-	-	-	-	-	-	-	-
<b>SUB TOTAL (A) (2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Shareholding of Promoter</b>	<b>4849520</b>	<b>0</b>	<b>4849520</b>	<b>74.92%</b>	<b>4849520</b>	<b>0</b>	<b>4849520</b>	<b>74.92%</b>	<b>0.00%</b>
<b>(A)= (A)(1)+(A)(2)</b>									
<b>B. PUBLIC SHAREHOLDING</b>									
<b>(1) Institutions</b>									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks/FI	-	-	-	-	-	-	-	-	-
c) Central govt	-	-	-	-	-	-	-	-	-
d) State Govt.	-	-	-	-	-	-	-	-	-
e) Venture Capital Fund	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIS	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>SUB TOTAL (B)(1):</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>(2) Non Institutions</b>									
a) Bodies corporates									
i) Indian	661600	348990	1010590	15.61%	662100	348990	1011090	15.62%	0.008%
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs.1 lakhs	13800	238700	252500	3.90%	16600	235700	252300	3.90%	(0.003%)
ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 lakhs	183530	177100	360630	5.57%	183530	176800	360330	5.57%	(0.005%)
c) Others (specify)									
<b>SUB TOTAL (B)(2):</b>	<b>858930</b>	<b>764790</b>	<b>1623720</b>	<b>25.08%</b>	<b>862230</b>	<b>761490</b>	<b>1623720</b>	<b>25.08%</b>	<b>0.00%</b>
<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	<b>858930</b>	<b>764790</b>	<b>1623720</b>	<b>25.08%</b>	<b>862230</b>	<b>761490</b>	<b>1623720</b>	<b>25.08%</b>	<b>0.00%</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>									
	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>5708450</b>	<b>764790</b>	<b>6473240</b>	<b>100%</b>	<b>5711750</b>	<b>761490</b>	<b>6473240</b>	<b>100%</b>	<b>0.00%</b>

## ii. Share Holding of Promoters

SI No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No of shares	% of total shares of the company	% of shares pledged encumbered to total shares	No of shares	% of total shares of the company	% of shares pledged encumbered to total shares	
1	Rajeev Singh Dugal	4044540	62.48%	NIL	4044540	62.48%	NIL	0.00%
2	Kashvi Dugal	13980	0.22%	NIL	13980	0.22%	NIL	0.00%
3	K U Benefit Trust	791000	12.22%	NIL	791000	12.22%	NIL	0.00%
	<b>Total</b>	<b>4849520</b>	<b>74.92%</b>	<b>NIL</b>	<b>4849520</b>	<b>74.92%</b>	<b>NIL</b>	<b>0.00%</b>

## iii. Change in Promoters' Shareholding

Particulars	Share holding 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
At the beginning of the year	4849520	74.92%	4849520	74.92%
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)	Nil	0%	Nil	0%
At the end of the year	4849520	74.92%	4849520	74.92%

**(IV) Shareholding Pattern of Top Ten Shareholders (Other than Directors, Promoters & Holders of GDRs & ADRs)**

S.No.	Name of the Shareholder	Shareholding at the beginning of the year		Transactions during the Year		Shareholding at the end of the year	
		No. of shares	% of total shares of the Company	No of shares	% of total shares of the company	No of shares	% of total shares of the company
1	Mrigaya Tieup P Ltd	312500	4.83%	-	-	312500	4.83%
2	Narsingh Agro Industries LLP	255000	3.94%	-	-	255000	3.94%
3	Vintage Tradelinks Private Limited	198700	3.07%	-	-	198700	3.07%
4	Arkaya Agrodeal LLP	243990	3.77%	-	-	243990	3.77%
5	Tara Khowala	101030	1.56%	-	-	101030	1.56%
6	Jayesh Taunk	75000	1.16%	-	-	75000	1.16%
7	Jyoti Bhatia	52100	0.80%	(300.00)	0.00%	51800	0.80%
8	Geeta Jayesh Taunk	50000	0.77%	-	-	50000	0.77%
9	Srawan Khowala	4000	0.06%	-	-	4000	0.06%
10	Gyan Chand Mehta	2500	0.04%	-	-	2500	0.04%

Figures in bracket signify the sales made during the year.

**(v) Shareholding of Directors & KMP**

Sl. No	For Each of the Directors & KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No of shares	% of total shares of the company
<b>1</b>	<b>At the beginning of the year</b>				
	i) Rajeev Singh Dugal	4044540	62.48%		
	ii) Sushil Kumar Khowala	18000	0.28%		
	iii)Roop Narayan Choudhary	64500	1.00%		
<b>2</b>	<b>Increase/decrease in Promoters Share holding during the year</b>				
	i) Rajeev Singh Dugal			NIL	NIL
	ii) Sushil Kumar Khowala			NIL	NIL
	iii)Roop Narayan Choudhary			NIL	NIL
<b>3</b>	<b>At the end of the year</b>				
	Rajeev Singh Dugal			4044540	62.48%
	Sushil Kumar Khowala			18000	0.28%
	Roop Narayan Choudhary			64500	1.00%

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

## 5. INDEBTEDNESS

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

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtness at the beginning of the financial year</b>				
i) Principal Amount.	34,337,080.00	4,153,739.00	Nil	38,490,819.00
ii) Interest due but not paid.	264,930.00	224,302.00	Nil	489,232.00
iii) Interest accrued but not due.	Nil	Nil	Nil	Nil
<b>Total (i+ii+iii)</b>	<b>34,602,010.00</b>	<b>4,378,041.00</b>	Nil	<b>38,980,051.00</b>

### Change in Indebtedness during the financial year

Additions	Nil	236,414.00	Nil	236,414.00
Reduction	33,834,033.00	Nil	Nil	33,834,033.00
<b>Net Change</b>	<b>33,834,033.00</b>	<b>236,414.00</b>	Nil	<b>(33,597,619.00)</b>

### Indebtedness at the end of the financial year

i) Principal Amount	767,977.00	4,378,041.00	Nil	5,146,018.00
ii) Interest due but not paid	Nil	236,414.00	Nil	236,414.00
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
<b>Total (i+ii+iii)</b>	<b>767,977.00</b>	<b>4,614,455.00</b>	Nil	<b>5,382,432.00</b>

## 6. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl.No	Particulars of Remuneration	MD/WTD/Manager		
		RAJEEV SINGH DUGAL	UPNEET DUGAL	TOTAL
1	Gross salary	12,00,000.00	2,25,000.00	14,25,000.00
	(a) Salary as per provisions contained in section 17(1) of the Income Tax, 1961.	N.A.	N.A.	N.A.
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	N.A.	N.A.	N.A.
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	N.A.	N.A.	N.A.
2	Stock option	N.A.	N.A.	N.A.
3	Sweat Equity	N.A.	N.A.	N.A.
4	Commission as % of profit	N.A.	N.A.	N.A.
5	Others, please specify	N.A.	N.A.	N.A.
	<b>Total (A)</b>	<b>12,00,000.00</b>	<b>2,25,000.00</b>	<b>14,25,000.00</b>

Ceiling as per the Act

The ceiling is as per Section 197 of the Companies Act, 2013 read with Part II, Section I of Schedule V

**B. Remuneration to other directors:**

Sl.No	Particulars of Remuneration	Name of Directors			Total Amount
1	Independent Directors	Anureet Kaur	Sushil Kumar Khowala	Malkeet Singh Saini	
	(a) Fee for attending Board/ Committee meetings	9,000.00	9,000.00	9,000.00	-
	(b) Commission	-	-	-	-
	(c) Others, please specify	-	-	-	-
	<b>Total (1)</b>	<b>9,000.00</b>	<b>9,000.00</b>	<b>9,000.00</b>	<b>27,000.00</b>
2	Other Non Executive Directors	Roop Narayan Choudhary			
	(a) Fee for attending Board/ Committee meetings	1,000.00	-	-	-
	(b) Commission	-	-	-	-
	(c) Others, please specify.	-	-	-	-
	<b>Total (2)</b>	<b>1,000.00</b>	<b>-</b>	<b>-</b>	<b>1,000.00</b>
	<b>Total (B)=(1+2)</b>				<b>28,000.00</b>
	<b>Total Managerial Remuneration ( A+B)</b>				<b>1453000.00</b>
	<b>Overall Ceiling as per the Act.</b>	<b>The ceiling is as per Section 197 of the Companies Act, 2013 read with Part II, Section I of Schedule V</b>			

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

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			Total
		Mr. Rechan Chhabra(Chief Financial Officer)	Ms. Puja Choudhary (Company Secretary w.e.f 01.06.2016)	Ms. Simi Sen (Company Secretary upto 31.05.2016)	
1	Gross Salary	7,26,218.00	2,50,000.00	16,000.00	9,92,218.00
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	-	-	-	-
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	NA	NA	NA	NA
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	NA	NA	NA	NA
2	Stock Option	NA	NA	NA	NA
3	Sweat Equity	NA	NA	NA	NA
4	Commission as % of profit	NA	NA	NA	NA
5	Others, please specify	NA	NA	NA	NA
	<b>Total</b>	<b>7,26,218.00</b>	<b>2,50,000.00</b>	<b>16,000.00</b>	<b>9,92,218.00</b>

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

There were no penalties, punishment or compounding of offences during the year ended 31st March, 2017.

For and on behalf of the Board of Directors

Place : Jamshedpur  
Date : August 14, 2017

Sd/-  
Rajeev Singh Dugal  
Managing Director  
DIN - 00052037

Sd/-  
Sushil Kumar Khowala  
Director  
DIN - 00224539

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## MANAGEMENT DISCUSSION & ANALYSIS REPORT

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### 1. OVERVIEW

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

### 2. GLOBAL ECONOMY

In 2016, the global economic activity remained sluggish leading to wide ranging implications on the banking sector and financial markets. As per the International Monetary Fund (January 2017), World GDP growth moderated to 3.1% in 2016 from 3.3% in 2015. The primary reasons are largely to the turbulence in the world financial market due to major setbacks such as Brexit, the unexpected election of Donald Trump, China's slowdown, low oil prices and overall weakness in the economies of Japan, US and Europe. In India, the demonetisation exercise was unforeseen and unexpected, whereby the government replaced notes equivalent to Rs. 15.44 trillion in circulation with the new notes.

However, towards the end of the FY17, global economic activity picked up and conditions improved in commodity exporting countries and emerging markets. Even as some deflation risks linger in certain parts of the world, inflation picked up in most advanced economies. In India, macro-economic conditions continued to be on a stable footing with slowing inflation, Current Account Deficits remaining in control and the central government achieving its Fiscal Deficit/GDP target of 3.5% for FY17 and targeting a lower deficit of 3.2% for FY18.

With this trend, the world economy is expected to pick up steam in CY 2017 and grow by 3.4%, this time piggybacking on previously flat advanced economies. This is expected to be supplemented by the projected policy stimulus of the new US administration and its global consequences. However, Economic activities in both advanced economies and emerging markets and developing economies is forecast to accelerate in 2017 and 2018.

### 3. INDIAN ECONOMY

India has emerged as the fastest growing major economy in the world as per the Central Statistics Organisation (CSO) and International Monetary Fund (IMF). The year's Economic Survey highlighted the various challenges that the Indian Economy has faced ranging from a set of tumultuous international developments that comprised of Brexit, political changes in advanced economies, and two radical domestic policy actions namely the GST and demonetisation. It seems that the Indian Economy is turning to be more resilient to the changes both at the international and the global front.

This year has been marked by several historic economic policy developments. On the domestic side, a constitutional amendment paved the way for the long-awaited and transformational Goods and Services Tax (GST) which will create a common Indian market, improve tax compliance, boost investment and growth and improve governance while

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demonetisation of the large currency notes on the other hand brought a striking shift towards the way the economy prepared to move towards a cashless, transparent and corruption-free regime. Demonetisation is forecasted to have a short term cost in the form of slow growth but has potential for long term benefits. This could boost economic efficiency, foster a clean and digitalized economy in the long run and reduce corruption. The Government continued with its economic reforms agenda and took a large number of measures including the overhauling of the bankruptcy laws, codified the institutional arrangements on monetary policy with the Reserve Bank of India (RBI), and solidifying the legal basis for Aadhaar in order to reap benefits of Jandhan Accounts and promotion of a digital economy.

On the international front, the Brexit and the US elections herald a tectonic shift for the global, and even the Indian, economy. However, the Indian Economy has continued to consolidate the gains achieved in restoring macroeconomic stability. India's gross domestic product (GDP) grew by 7 per cent year-on-year in October-December 2016 quarter, which is the strongest among G-20 countries, as per Organisation for Economic Co-operation and Development (OECD) Economic Survey of India, 2017.

According to IMF World Economic Outlook Update (January 2017), Indian economy is expected to grow at 7.2 per cent during FY 2016-17 and further accelerate to 7.7 per cent during FY 2017-18. Moody's has affirmed the Government of India's Baa3 rating with a positive outlook stating that the reforms by the government will enable the country perform better compared to its peers over the medium term.

The Indian economy has grown quite impressively this fiscal to consolidate India's position as the fastest growing economy. The Economic Survey projects there is a strong likelihood that Indian economy may recover back to a growth of 6¾ per cent to 7½ per

cent in 2017-18. Your Company sees a good opportunity for improvement of its performance in the near term.

#### 4. INDUSTRY STRUCTURE

Non-banking finance companies (NBFCs) form a critical part of the Indian financial system. They play an important role in nation building and financial inclusion by complementing the banking sector in providing credit to the unbanked segments of society, especially to the micro, small and medium enterprises (MSMEs), which form the cradle of entrepreneurship and innovation.

NBFCs have performed consistently over the last ten years. India Ratings expects NBFCs to account for over 17% of the total credit in the country by FY2019, compared to 13.1% at the end of the FY2015 and 9.4% in the FY2006. Until some years ago, NBFCs were a small part of the financial services business with a small resource base. Today, the equity of leading NBFCs is comparable with or larger than many mid-sized banks. The combined market capitalisation of the top 10 NBFCs is now twice that of mid and small-sized public sector banks. **(source)**

The success of NBFCs can be clearly attributed to better product lines, strong risk management capabilities to check and control bad debts, lower cost due to lean and focused business models, wider and effective reach and better understanding of their customer segments. Not only have they shown success in their traditional area but they have also managed to build substantial assets under management (AUM) in the small enterprise finance, personal loan and housing finance sector which have been the bread and butter for retail banks. In 5 years, NBFCs have doubled their market share in SME loans and wholesale finance and the NBFCs assets grew at more than twice India's GDP last fiscal.



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The Reserve Bank of India has over the last few years revised the regulatory framework for NBFCs which broadly focuses on strengthening the structural profile of the NBFC sector. The regulatory focus is more on safeguarding depositors' money and regulating NBFCs which have increased their asset-size over time and gained systemic importance.

For India's non-banking financial companies (NBFCs), the year was characterised by robust growth. According to the Reserve Bank of India (RBI) Financial Stability Report (FSR) released earlier this year, NBFC loans expanded 16.6% in the year, twice as fast as the 8.8% credit growth across the banking sector on an aggregate level. The aggregate balance sheet of the NBFC sector expanded 15.5% in fiscal 2016 in comparison to 15.7% from the previous year.

## 5. OUTLOOK OF NBFCs

The financial services industry is highly interrelated to the overall economic growth and has a large driver of this growth. The improving GDP growth path is expected to further derive the financial service industry. The sector has been dynamically evolving over period of time and has been witnessing constant regulatory changes. RBI has recognized the impact that the NBFCs have on the society at large and have been constantly implementing new policies for tighter controls and providing new avenues for growth.

The Company intends to continue focusing on capital market activities including trading in securities and carrying of job work activities.

The Company continuously explores the possibilities of expansion and will make the necessary investments when attractive opportunities arise.

## 6. OPPORTUNITIES & THREATS

The Government is committed to encourage the healthy growth of Capital Market for development of the Economy. Steps by RBI to stabilize the exchange

rate by reducing liquidity support to the banking system will create a challenging environment for investments.

Over the medium term, however, a supportive operating environment and declining interest rate regime are factors which could support NBFCs ability to improve profitability and shareholder returns.

Various factors are posing constant threats and high vitality in the capital market. To reduce the risk it is important to diversify the portfolio. Mutual funds investment helps to reduce risk through diversification and professional management.

## 7. FINANCIAL PERFORMANCE

On standalone basis, total income of your Company during the year was Rs. 742.33 lakhs (Previous year Rs. 578.95 lakhs). Profit before Tax for the year was Rs. 519.63 lakhs (Previous year Profit before tax of Rs. 289.00 lakhs). Profit after Tax for the year was Rs. 426.70 lakhs (Previous year profit after tax of Rs. 260.34 lakhs).

On consolidated basis, total income of your Company during the year was Rs. 4291.17 lakhs, (Previous year Rs. 4613.06 lakhs). Profit before Tax for the year was Rs. 1367.57 lakhs (Previous year profit before tax of Rs. 1,360.24 lakhs). Profit after Tax & minority interest for the year was Rs. 1000.92 lakhs (Previous year Profit after Tax & minority interest of Rs. 996.78 lakhs).

## 8. SEGMENT-WISE PERFORMANCE

The Financial Service segment has posted a revenue of Rs. 1664.84 lakhs (Previous Year Rs. 1578.85 lakhs), Job Work segment has posted a revenue of Rs. 1288.35 lakhs (Previous Year Rs. 1533.56 lakhs), Hotel segment has posted a revenue of Rs. 1360.98 lakhs (Previous Year Rs. 1525.48 lakhs) including inter segmental revenue of Rs. 24.68 Lakhs. This

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year the heat treatment activity generated revenue of Rs. 1.68 lakhs.

On a standalone basis, the Financial Service segment posted segmental revenue of Rs. 672.54 lakhs (Previous Year revenue of Rs. 502.52 lakhs). The Job Work segment has recorded a profit of Rs. 69.79 lakhs (Previous Year profit of Rs. 76.43 lakhs). The Profit of the Company after deducting Interest and other unallocable expenditure/ income from the segmental results, has been Rs. 4074.64 lakhs (Previous Year Rs. 3649.77 lakhs).

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

## **9. RISKS AND CONCERNS**

Risk is an integral part of the Company's business and sound risk management is critical to the success of any organization. The Company is exposed to specific risks that are particular to its business and the environment within which it operates, including interest rate volatility, economic cycle, credit risk and market risk.

The Company is mainly exposed to market risks in the form of reduction in the value of its investment and fall in return due to dip in the investee Company's performance. The investments represent a material portion of the Company's business and are vulnerable to fluctuation in the stock market.

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

The company is aware of the need to better understand, anticipate, evaluate and mitigate risks in order to minimize its impact on business. The

Company has put in place a Risk Management Policy to ensure that all the current and future material risk exposures of the Company are identified, assessed, quantified, appropriately mitigated, minimized and managed.

## **10. INTERNAL CONTROL SYSTEM**

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

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

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

## **11. HUMAN RESOURCES MANAGEMENT**

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

To maintain competency and to improve the analytical abilities of employees for gearing them to face challenges, proper training and development is

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imparted by the Company before the employee takes up any responsibility. Our Company has always valued its employees whose dedication and contribution have helped us to reach the levels of excellence and rewarded them appropriately during the appraisal.

**Cautionary Statement**

*Statements in the Management Discussion and Analysis describing the Company's objectives, projections, estimate, expectations may be "forward-looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting demand/supply and price conditions in the domestic and overseas markets in which the*

*Company operates, changes in the Government regulations, tax laws and other statutes and incidental factors.*

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

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

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

**Place: Jamshedpur  
Date: August 14, 2017**

# REPORT ON CORPORATE GOVERNANCE

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

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

The Company believes that good Corporate Governance is a continuous process and strives to improve the Corporate Governance practices to meet shareholder's expectations. It is an upward-moving target that we collectively strive towards achieving. The Company confirms compliance of Corporate Governance as contained in chapter IV read with schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, details of which are given below:

## 1. BOARD OF DIRECTORS

The Company believes that an active, well-informed and independent board is necessary to ensure the highest standards of corporate governance. The Company has a balanced Board with optimum combination of Executive and Non-Executive Directors to ensure independent functioning and the current composition of the Board is in conformity with Regulation 17(1) of the Listing Regulations.

As at March 31, 2017 the Composition of the Board and category of Directors are as follows:

### COMPOSITION OF THE BOARD:-

CATEGORY	NO. OF DIRECTORS	% TO TOTAL NO. OF DIRECTORS
Executive Directors	2	33.33%
Non-Executive Independent	3	50.00%
Non-Executive Non-Independent	1	16.66%
	<b>6</b>	<b>100.00%</b>

### CATEGORY OF DIRECTORS:-

CATEGORY	NAME OF THE DIRECTOR
Executive Directors	Mr. Rajeev Singh Dugal
	Ms. Upneet Dugal
Non-Executive Independent Directors	Mr. Sushil Kumar Khowala
	Mrs. Anureet Kaur
	Mr. Malkeet Singh Saini
Non-Executive Non-Independent Directors	Mr. Roop Narayan Choudhary

Certificates have been obtained from the Independent Directors confirming their position as 'Independent Director' on the Board of the Company in accordance with Section 149 of the Companies Act, 2013 read with Regulation 16(1) (b) of the SEBI (LODR) Regulations.

None of the Independent Directors of the Company serves as a whole-time director of any listed Company or hold directorship in more than seven listed companies. Also note that none of the Directors hold directorship in more than ten public companies and also

none of them are members of more than ten committees or Chairperson of more than five committees across all the Companies in which they are Director.

**Details of Board Meetings held during the financial year ended March 31, 2017:**

During the financial year ended March 31, 2017, the Board met nine times on May, 30, 2016, July, 11, 2016, August, 11, 2016, October, 03, 2016, November 14,

2016, December 28, 2016, February 14, 2017, March 01, 2017 and March 28, 2017. The maximum gap between any two Board Meetings was less than 120 days. All material information was circulated to the directors before the meeting or placed at the meeting, including minimum information required to be made available to the Board as prescribed under Regulation 17 of the Listing Regulations and as such the Company has complied with the Regulations of the Companies Act, 2013 and SEBI (LODR) Regulations, 2013.

**The details of directors' attendance at Board Meetings, AGM and details of other directorships, committee chairmanships / memberships held by the Directors during the year are as follows:**

NAME OF DIRECTOR	NUMBER OF BOARD MEETINGS ATTENDED	ATTENDANCE AT THE 53 <sup>rd</sup> AGM	NO. OF DIRECTORSHIPS IN OTHER COMPANIES	NO. OF COMMITTEE MEMBERSHIPS IN OTHER COMPANIES	
				Chairman	Member
Mr. Rajeev Singh Dugal	09	Yes	2	Nil	Nil
Mr. Sushil Kumar Khowala	03	Yes	4	Nil	Nil
Mr. Malkeet Singh Saini	03	Yes	Nil	Nil	Nil
Mr. Roop Narayan Choudhary	01	No	1	Nil	Nil
Ms. Anureet Kaur	07	Yes	Nil	Nil	Nil
Ms. Upneet Dugal	04	NA	Nil	Nil	Nil

**Notes:**

- I. Ms. Upneet Dugal has been appointed as an Additional Director on December 28, 2016 and on an invitation attended the said Meeting. Four meetings were held since her appointment.
- II. Excludes Private Limited Companies which is not subsidiary of a Public Company, Foreign

Companies, Alternate Directorships and Companies registered under Section 8 of the Companies Act, 2013.

- III. As per Regulation 26 of SEBI (LODR) Regulations, 2015 Membership and Chairmanship of Audit Committee and Stakeholders Relationship Committee are only considered.

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IV. The Executive Directors of the Company, Mr. Rajeev Singh Dugal and Ms. Upneet Dugal are related to each other in terms of the definition of relative as per Section 2(77) of the Companies Act, 2013. Declarations in this regard have been received by the Company. None of the Non-Executive Directors of the Company has any pecuniary relationships or transactions with the Company.

## 2. BOARD PROCEDURE

The Board Meetings of the Company are governed by a structured agenda. The Board meetings are generally held at the Administrative office of the Company at Jamshedpur. The Company Secretary in consultation with the Managing Director finalizes the agenda of the Board meetings. All major agenda items, backed up by relevant and comprehensive background information, are sent well in advance of the date of the Board meeting(s) to enable the Board members to take informed decision.

Senior management personnel are invited from time to time to the Board meetings to make presentations on relevant issues or provide necessary insights into the operations / working of the Company and corporate strategies. The decisions taken on the agenda are promptly communicated to the concerned departments. The Action Taken Report (ATR) on the decisions of the previous meetings is placed at the succeeding meeting of the Board for review/noting. A similar procedure is followed for each meeting of the Board committees.

The Board periodically reviews Compliance Reports in respect of various laws and regulations applicable to the Company.

## 3. MEETING OF INDEPENDENT DIRECTORS

The Company's Independent Directors met on 27<sup>th</sup>

March, 2017. The meeting was held without the presence of the Executive Directors or any management personnel. They inter-alia reviewed the performance of Non-Independent Directors and the Board as a whole, the quality, quantity, timeliness of flow of information from the management to the Board of Directors. The Independent Directors found the performance of Non-Independent Directors and the Board as well as flow of information between the Management and the Board to be satisfactory. All independent directors were present in the meeting.

## 4. FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

All Directors, including Independent Directors, on induction are appraised of the nature of industry, the business model of the Company, the roles, rights, responsibilities in terms of Companies Act and related rules, SEBI LODR Regulations etc. and are provided with necessary documents, reports and policies to enable them to familiarize with the Company's procedures and practices.

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

Site visits to plant location are organized for the Independent Directors to enable them to understand the operations of the Company.

The details of such familiarisation programmes for Independent Directors are put up on the website of the Company and can be assessed at:  
<http://www.rsdfinancelimited.com>.

**5. DETAILS OF SHARES HELD BY NON-EXECUTIVE DIRECTORS OF THE COMPANY AS ON MARCH 31, 2017**

Name of the Director	Number of Shares held
Ms. Anureet Kaur	Nil
Mr. Malkeet Singh Saini	Nil
Mr. Roop Narayan Choudhary	64500
Mr. Sushil Kumar Khowala	18000

**6. CODE OF CONDUCT FOR DIRECTORS AND SENIOR MANAGEMENT**

For the year under review, all the Directors and senior management have affirmed compliance with the provisions of the Code of Conduct. A declaration from the Managing Director of the Company is annexed and forms a part of this Report of Directors.

In terms of the Code of Conduct of Independent Directors as per Schedule IV of the Companies Act, 2013, the Board has adopted the said Code and all the Independent Directors have affirmed that they abide by the said Code. The Code of Conduct of Board of Directors, Independent Directors and Management Personnel are made available in the Company's official website:

[www.rsdfinancelimited.com/investorrelations/codes/policies](http://www.rsdfinancelimited.com/investorrelations/codes/policies) (path).

**7. COMMITTEES OF THE BOARD:**

The Board has constituted various committees to support the Board in discharging its responsibilities. There are four committees constituted by the Board – Audit Committee, Stakeholders' Relationship Committee, Nomination and Remuneration Committee and Risk Management Committee. The Board is authorized to constitute additional functional

committees, from time to time, depending on its business needs.

The Board fixes the terms of reference and also delegates powers from time to time to the committees. Various recommendations of the committees are submitted to the board for approval. The minutes of the meetings of all the committees are circulated to the board for its information.

**A. AUDIT COMMITTEE**

**i. Composition of Audit Committee:**

The Audit Committee comprises of followings Directors as members:

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

All the members of the committee possess sound knowledge of accounts, audit and are financial management expertise.

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

During the year four (4) Audit Committee meetings were held i.e. on May 30, 2016, August 11, 2016, November 14, 2016 and February 14, 2017 and the time gap between two meetings were less than one hundred and twenty days.

The attendance record of the Members at the Audit Committee meetings held during the year ended 31st March, 2017 is as follows:

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

The Chief Financial Officer, Internal Auditors and Statutory Auditors were present in some Audit Committee meetings as invitees.

The audit committee met prior to the finalization of the accounts for the year ended 31st March, 2017.

The chairman of the Audit Committee, Mr. Sushil Kumar Khowala was present in the last Annual general Meeting held on 24 September, 2016.

Ms. Puja Choudhary, Company Secretary acts as the Secretary to the Audit Committee.

### iii. Terms of Reference:

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

- Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommending the appointment, remuneration and term of appointment of the Auditors;
- Approval for payment to the Auditors for any other services rendered by them;

- Reviewing with the management the quarterly/ annual financial statements and the limited liability/auditor's report thereon;
- Reviewing performance of the statutory and internal auditors, adequacy of the internal control systems;
- Approval of related party transactions and subsequent modification of transactions, if any;
- Reviewing the findings of any internal investigations by the Internal Auditors, into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- Reviewing the functioning of the vigil mechanism. Whistle blower policy;
- Other matters as set out in Section 177 of the Companies Act, 2013 and the rules made thereunder and under Part C of Schedule II read with Regulation 18(3) of the SEBI (LODR) Regulations, 2015 and referred to it by the Board of Directors.

## B. NOMINATION & REMUNERATION COMMITTEE:

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

The Nomination & Remuneration Committee comprises of followings Directors as members:

Name of the Director	Category	Position
Anureet Kaur	Independent Director	Member
Sushil Kumar Khowala	Independent Director	Member



Malkeet Singh Saini	Independent Director	Chairman
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### ii. Meetings and Attendance during the year:

During the year ended 31st March, 2017, two (2) Nomination & remuneration committee meetings were held on May 30, 2016 and December 28, 2016.

The attendance record of the Members at the Nomination & remuneration committee meetings held during the year ended 31st March, 2017 is as follows:

Name of Director	No. of Meetings	
	Held	Attended
Anureet Kaur	2	2
Sushil Kumar Khowala	2	1
Malkeet Singh Saini	2	1

Mr. Malkeet Singh Saini, Chairman of the Nomination and Remuneration Committee, was present at the Annual General Meeting of the Company held on 24 September, 2016 to answer members' queries.

### iii. Terms of Reference:

The terms of reference of the Nomination and Remuneration Committee are in line with Regulation 19(4) read with Part D of Schedule II of the SEBI (LODR) Regulations, 2015 and Section 178 of the Companies Act, 2013 and the rules framed thereunder which inter-alia includes:

- a) To identify persons who are qualified to become directors and who may be appointed in senior management and recommend their appointment and / or removal to the Board of Directors of the Company;

- b) To formulate a criteria for determining qualifications, positive attributes and independence of a director and recommending to the Board a policy relating to the remuneration for the directors, key managerial personnel and other employees;
- c) To formulate a criteria for evaluation of Independent Directors and the Board;
- d) To devise a policy on diversity of Board of Directors;
- e) To review and recommend remuneration of Managing Directors / Whole time directors based on their performance and defined assessment criteria.
- f) Other matters as set out in Section 178 of the Companies Act, 2013 and the rules made thereunder and under Part D of Schedule II read with Regulation 19(4) of the SEBI (LODR) Regulations, 2015 and referred to it by the Board of Directors.

### iv. Performance Evaluation Criteria for Independent Directors

The criteria for performance evaluation cover the areas relevant to the functioning as Independent Directors such as business understanding, communication skills, ability to exercise objective judgement in the best interests of the Company, attendance at the meetings and on specific criteria which include commitment, guidance to Management, deployment of knowledge and expertise, management of relationship with various stakeholders, independence of behavior and judgment, maintenance of confidentiality and contribution to corporate governance practices within the Company.

The performance evaluation of Independent Directors was done by the entire Board of Directors and in the

evaluation process, the Directors who are subject to evaluation had not participated.

### C. Remuneration to directors:

In terms of the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (LODR), the Nomination and Remuneration Committee (NRC) is responsible for formulating the criteria for determining qualification, positive attributes and independence of Directors. The NRC is also responsible for recommending to the Board a policy relating to the remuneration of the Directors, Key Managerial Personnel and Senior Management. In line with this requirement, the Board had adopted the Nomination and Remuneration Policy. The Policy is annexed as "Annexure – 3" and forms a part of the Boards Report.

### Details of remuneration paid to Non- Executive Directors during the FY ended March 31, 2017 are furnished hereunder:

During the Financial Year 2016-17, the Non- Executive Directors were paid Rs. 1,000 (Rupees one thousand only) as sittings fees for attending each meeting(s) of the Board/ Committee thereof.

Details of the Sitting fees paid are as under:

Name of the Director	Sitting Fee (Rs.)
Ms. Anureet Kaur	9000
Mr. Malkeet Singh Saini	9000
Mr. Roop Narayan Choudhary	1000
Mr. Sushil Kumar Khowala	9000

Apart from payment of sitting fee for attending meetings, the Company did not have any pecuniary relationship with any Non-Executive Directors during the financial year 2016-17. Criteria of making payment to Non-executive director is available on the Company's website at [www.rsdfinancelimited.com](http://www.rsdfinancelimited.com)

### Details of remuneration paid to the Executive Director(s) for the financial year 2016-17 are as follows:

Name of the Director	Remuneration (Rs.)
Mr. Rajeev Singh Dugal	12,00,000
Ms. Upneet Dugal	2,25,000

The compensation paid to the Managing Director is within the scale approved by the shareholders. The compensation is determined based on the level of responsibility and scales prevailing in the industry. The executive directors are not paid sitting fees for any board/committee meetings attended by them.

The Company does not have any stock option plan or performance-linked incentive for the Director(s).

### D. THE STAKEHOLDERS' RELATIONSHIP COMMITTEE:

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

The Stakeholders Relationship Committee comprises of followings Directors as members:

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

Ms. Puja Choudhary was appointed as the Company Secretary and Compliance Officer of the Company w.e.f June 01, 2016.

## ii. Meetings and Attendance during the year:

During the year two (2) Grievances committee meeting were held on May 30, 2016 and August 11, 2016. The attendance of the Committee members is given hereinafter:

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

Mr. Sushil Kumar Khowala, Chairman of the Stakeholders Relationship Committee, was present at the Annual General Meeting of the Company held on 24 September, 2016 to answer members' queries.

## iii. Terms of Reference:

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

The Stakeholders Relationship Committee is primarily responsible to review all matters connected with the Company's transfer of securities and redressal of shareholders'/ Investors'/ security holders' complaints. The role of the committee includes overseeing and reviewing share transmissions, issue of duplicate share certificates, issue of share certificates for split, re-materialization, consolidation of shares, etc. It further looks into the redressing of shareholders' grievances like non-receipt of balance sheet, non-

receipt of declared dividends and overseeing the performance of Company's Registrar and Share Transfer Agents and to carry out any function as may be referred by the Board from time to time.

The details of the complaints received during the FY 2016-17 and the status of the same are as below:

- Number of pending complaints as on 01.04.2016 – 0
- Number of complaints received during the year ended 31.03.2017 – 0
- Number of complaints disposed off during the year ended 31.03.2017 – 0
- Number of complaints not solved to the satisfaction of the shareholders during the year ended 31.03.2017 – 0
- Number of complaints pending as at 31.03.2017 – 0

The Company has acted upon all valid requests for share transfer received during 2016-17 and no such transfer is pending.

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

## E. THE RISK MANAGEMENT COMMITTEE:

### i. Composition of Risk Management Committee:

The Risk Management Committee comprises of followings Directors as members:

Name of the Director	Category	Position
Malkeet Singh Saini	Independent Director	Chairman
Sushil Kumar Khowala	Independent Director	Member
Roop Narayan Choudhary	Non - Executive Non - Independent	Member

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

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

#### iii. Terms of Reference:

The roles and responsibilities of the Risk Management Committee are as prescribed under Regulation 21 of the Listing Regulations and includes monitoring and review of risk management plan and reporting the same to the Board of Directors periodically as it may deem fit, in addition to any other terms as may be referred by the Board of Directors, from time to time.

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

#### F. Corporate Social Responsibility

The Corporate Social Responsibility Committee comprises of followings Directors as members:

Name of the Director	Category	Position
Rajeev Singh Dugal	Managing Director	Chairman
Upneet Dugal	Executive Director	Member

Sushil Kumar Khowala	Independent Director	Member
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#### iv. Meetings and Attendance during the year:

The committee was formed in the FY 2017-18

#### v. Terms of Reference:

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

The role of the committee includes formulation and recommendation of a Corporate Social Responsibility (CSR) policy for the company, recommend the amount of expenditure to be incurred on the CSR activities, monitor the CSR policy of the company from time to time and institute a transparent monitoring mechanism for implementing the CSR activities and carry out any other function or activity as may be required to ensure that the CSR objectives are met.

#### 8. Reconciliation of Share Capital Audit

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

#### 9. Subsidiary Company

As on 31st March, 2017, the Company has the following two subsidiary Companies:

1) Precision Automotive Private Limited (wholly owned subsidiary Company)

2) SRP Oil Private Limited

The Financial Statements of both the subsidiary companies are reviewed by the Audit Committee. As per the provisions of the Listing Regulations, Mr. Sushil Kumar Khowala, Independent Director has been appointed as a Director on the Board of Precision Automotive Private Limited and SRP Oil Private Limited. All minutes of the meetings of the subsidiary are placed before the Company's Board regularly and the attention of the Directors is drawn to all significant transactions and arrangements entered into by the subsidiary companies.

#### 10. General Body Meetings

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

The date and time of Annual General Meetings held during last three years and special resolution passed thereat, are as follows:

Year	Date	Time	Special Resolution Passed
2015-16	24.09.2016	2.30 p.m.	-
2014-15	30.09.2015	11.00a.m.	-
2013-14	30.09.2014	11.00 a.m.	To change name of the Company.

No Extra-ordinary general meeting of the Members was held during the Financial Year ended March 31, 2017.

There was no special resolution requiring voting through postal ballot during the Financial Year ended March 31, 2017.

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

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

#### 11. MEANS OF COMMUNICATION

a) **Quarterly results:** The Company immediately after conclusion of the meetings of the Board of Directors, within the prescribed time, uploads the quarterly/Annual financial results on the website "Listing Centre" of BSE Limited, "Compliance" of CSE Limited and simultaneously uploads the same on the Company's website [www.rsdfinancelimited.com](http://www.rsdfinancelimited.com)

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

b) **Newspapers where in results normally published:** The Company normally publishes the abridged version of audited/ unaudited financial results in leading newspapers in English viz., Financial Express and in the Regional Language i.e., Bengoli in the newspaper Arthik Lippi.

c) **Website:** The Company's website ([www.rsdfinancelimited.com](http://www.rsdfinancelimited.com)) contains a separate dedicated section "Investor Relations" where shareholders' information is available. The Company's Annual Report is also available in a downloadable form. All official news releases and

filings made to the Stock Exchanges are updated on the Company's website.

**d) Presentations to institutional investors/analysts:** Will be complied with whenever applicable/made.

**e) Annual Report:** The Annual Report containing, inter alia, Audited Standalone Financial Statement, Consolidated Financial Statement, Directors' Report, Auditors' Report and other important information is circulated to members and others entitled thereto. The Management's Discussion and Analysis (MD&A) Report forms part of the Directors' Report in the Annual Report.

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

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

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

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

## 12. GENERAL SHAREHOLDER INFORMATION

### a) Annual General Meeting :

Date : September 08, 2017  
 Day : Friday  
 Time : 12:30 PM  
 Venue : 224, AJC Bose Road,  
 Krishna Building, 9th floor,  
 Room No – 902,  
 Kolkata – 700 017

### b) Financial Calendar (tentative)

The Financial year is 1st April to 31st March every year and for the FY 2017-18, the financial results are proposed to be declared as per the following tentative schedule:

Particulars	Schedule
Financial results for the quarter ending June 30, 2017	on or before 14th August
Financial results for the quarter ending September 30, 2017	on or before 14th November
Financial results for the quarter ending December 31, 2017	on or before 14th February
Financial results for the quarter ending March 31, 2018	on or before 30th May
Annual General Meeting for the year ending March 31, 2018	August / September 2018

### c) Book Closure Period

The Register of Members and Share Transfer Books of the Company will be closed from Friday, September 01, 2017 to Friday, September 08, 2017 (both days inclusive) for the purpose of the 54th Annual General Meeting.

### d) Dividend Payment Date

Your Directors have not recommended any dividend for the FY 2016-17.

**e) Listing on Stock Exchange & Stock Code**

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

Name of the Stock Exchange	Address	Stock Code
<b>BSE Limited (BSE)</b>	Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001	539875
<b>Calcutta Stock Exchange Limited (CSE)</b>	7, Lyons Range, Kolkata – 700 001	28123

The listing fees for the year 2016-17 and 2017-18 have been paid to the above Stock Exchanges where the securities of the Company are listed. The Annual Custodial Fees for 2016-17 and 2017-18 to NSDL and CDSL has also been paid within the due dates.

ISIN of the Company – INE616F01014

**f) Stock Market Price Data**

Month	CSE Limited (CSE)		BSE Limited (BSE)	
	Month's High Price	Month's Low Price	Month's High Price	Month's Low Price
Apr – 16	N.T	N.T	N.A	N.A
May – 16	N.T	N.T	N.T	N.T
June – 16	N.T	N.T	N.T	N.T
July – 16	N.T	N.T	N.T	N.T
Aug – 16	N.T	N.T	N.T	N.T
Sep – 16	N.T	N.T	N.T	N.T
Oct – 16	N.T	N.T	N.T	N.T
Nov – 16	N.T	N.T	N.T	N.T

Dec – 16	N.T	N.T	N.T	N.T
Jan – 17	N.T	N.T	N.T	N.T
Feb – 17	N.T	N.T	N.T	N.T
Mar - 17	N.T	N.T	N.T	N.T

- N.T denotes No Trades
- N.A denotes Not Applicable.
- The scrip of the Company got listed on the BSE w.e.f May 13, 2017

**Performance in comparison to broad based indices such as BSE sensex, CRISIL Index etc.** - There has been no trading in Equity Shares of the Company on BSE and CSE during the year under review.

**g) The shares of the Company have not been suspended from trading.**

**h) REGISTRAR AND SHARE TRANSFER AGENTS**

**M/s. S. K. Infosolutions Pvt Ltd**

34/1A, Sudhir Chatterjee Street

Kolkata – 700 006

Tel. No – (033) 2219-4815

Email: skcdilip@gmail.com

**i) SHARE TRANSFER**

Share transfers are processed and share certificates duly endorsed are dispatched within a period of fifteen working days from the date of receipt, subject to documents being valid and complete in all respects. The Transfers are approved by the Board through Board Resolutions/ Circular Resolutions. A summary of transfer / transmission of shares of the Company so approved, if by circular resolution, are placed at every Board Meeting. The Company obtains from a Company Secretary in Practice half yearly certificate of compliance with respect to issue of share certificates as required under Regulation 40(9) of the Listing Regulations and files a copy of the said certificate with Stock Exchanges.

j) DISTRIBUTION OF SHARE HOLDING AS ON MARCH 31, 2017

Distribution	Shareholders		Shareholding	
	No of Share holders	% to total no of holders	No. of shares	% to Total Shares
1 – 500	590	79.73%	144100	2.23%
501 – 1000	119	16.08%	72200	1.12%
1001 – 2000	6	0.81%	10400	0.16%
2001 – 3000	9	1.22%	22500	0.35%
3001 – 4000	1	0.13%	4000	0.06%
4001 – 5000	0	0.00%	0	0.00%
5001 – 10000	0	0.00%	0	0.00%
10001 & Above	15	2.03%	6220040	96.09%
<b>TOTAL</b>	<b>740</b>	<b>100.00%</b>	<b>6473240</b>	<b>100.00%</b>

SHAREHOLDING PATTERN AS ON MARCH 31, 2017:

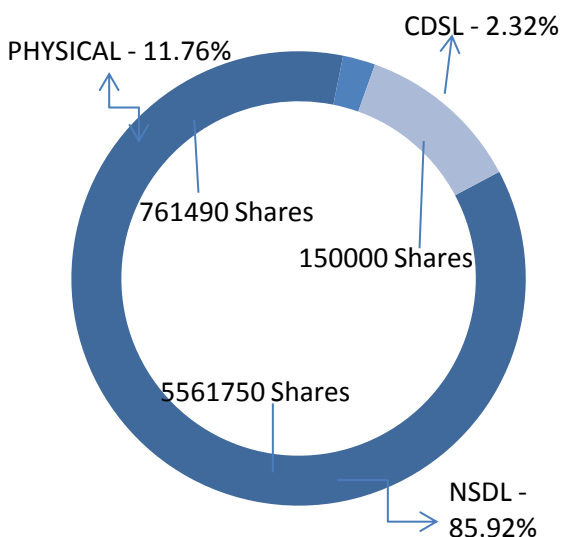
Category of shareholder	Number of shareholders	Total number of shares	As a percentage of (A+B+C)
Promoter and Promoter Group/Associate Companies, etc.	3	4849520	74.92%
Financial Institutions	0	0	0.00%
OCBs/Foreign Companies	0	0	0.00%
Other Bodies Corporate / Trusts	6	1011090	15.62%
General Public	731	612630	9.46%
<b>TOTAL</b>	<b>740</b>	<b>6473240</b>	<b>100.00%</b>



### k) DEMATERIALISATION OF SHARES

The Company's shares are available for dematerialization with both the Depositories i.e., National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Total 88.24% of shares have been dematerialized as on March 31, 2017.

ISIN: INE616F01014 (Fully Paid Shares)



### l) Outstanding GDRs/ADRs/ Warrants/ Convertible Instruments

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

### m) Commodity Price Risk/ Foreign Exchange Risk and Hedging activities

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

### n) PLANT LOCATION:

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

### REGISTERED OFFICE

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

### ADMINISTRATIVE OFFICE

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

### o) Address for Correspondence

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

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

### Company Secretary & Compliance Officer of the Company can be addressed at:

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

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

### 13. DISCLOSURES

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

None of the transactions with related parties were in conflict with the interests of the Company at large. However all related party transactions have been reported and forms part of notes to accounts of the Balance Sheet. The Company has adopted a policy for dealing with the related party transactions and the same has been disclosed at [www.rsdfinancelimited.com](http://www.rsdfinancelimited.com)

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

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

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

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

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

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

This mechanism has been communicated to all concerned and posted on the Company's website [www.rsdfinancelimited.com](http://www.rsdfinancelimited.com).

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

#### E. Familiarisation Programme:

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

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

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

**H. During the FY ended March 31, 2017 the Company did not engage in commodity price risk and commodity hedging activity.**

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

**J. There has been no instance of non-compliance of any requirement of Corporate Governance Report as prescribed under SEBI LODR.**

**K. Adoption of Non-Mandatory Requirements as stipulated in Part E of Schedule II of SEBI LODR.**

**(a) Shareholder Rights**

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

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

It has always been the Company's endeavor to present financial statements with unmodified audit opinion. The Statutory Auditors have issued an unmodified audit opinion on the Company's financial statements for the year ended 31st March, 2017.

**(c) Reporting of Internal Auditor**

The Internal Auditor reports directly to the Audit Committee.

**14. The Company has fully complied with the applicable requirements specified in Regulation 17 to 27 and Clause B to Clause I of sub-regulation 2 of regulation 46 of the SEBI LODR.**

**Other points not applicable on the Company have not been specified specifically.**

**15. Compliance with the Code of Conduct**

The Company has adopted the "Code of Conduct for Directors & Senior Management Personnel" and "Code of Conduct for Independent Directors". The Code incorporates the duties of Directors and Employees. The Codes are available on the website of the Company at <https://www.rsdfinancelimited.com/investorrelations/codes&policies> (path).

The Managing Director of the Company has given a declaration that the members of the Board of Directors and Senior Management Personnel have affirmed compliance with the Code of conduct of Board of Directors and senior management during the FY16-17.

The said declaration is herewith annexed to the Report forming part of this Annual Report.

**16. Certificate on Corporate Governance:**

Pursuant to Schedule V of the SEBI LODR, the Certificate from Statutory Auditors on Corporate Governance is annexed hereinafter.

**17. Certificate by Managing Director and Chief Financial Officer:**

In terms of Regulation 17(8) and Part B of Schedule II of SEBI (Listing Obligations and Disclosure requirements) Regulation, 2015, a certificate from the Chief Executive Officer (CEO) and the Chief Financial Officer (CFO) of the Company confirming, amongst other aspects, the correctness of the financial statements, adequacy of internal control measures and matters to be reported to the Audit Committee, were taken on record at the Board meeting held on May 30, 2017 convened for approval of the audited financial results of the

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Company for the year under review and the same is annexed herinafter and forms a part of this Annual Report.

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

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

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

Place: Jamshedpur  
Date: August 14, 2017

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**CERTIFICATE ON COMPLIANCE WITH CODE OF CONDUCT**

To,  
The Members of RSD Finance Limited

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

I, Rajeev Singh Dugal, Managing Director of RSD Finance Limited, to the best of my knowledge and belief, declare that all the members of the Board of Directors and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct of the Company for the year ended March 31, 2017.

**Sd/-  
Rajeev Singh Dugal  
Managing Director**

Place: Jamshedpur  
Date : August 14, 2017

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## MANAGING DIRECTOR (MD) AND CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION

To,

The Board of Directors  
**RSD Finance Limited**

1. We have reviewed financial statements and the cash flow statement of RSD Finance Limited for the year ended 31st March, 2017 and that to the best of our knowledge and belief:

- (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- (ii) These statements together present a true and Fairview of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.

3. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of Company's internal control systems pertaining to financial reporting. We have not come across and are not aware of any reportable deficiencies in the design or operation of such internal controls.

4 We have indicated to the Auditors and the Audit Committee:

- (a) that there are no significant changes in internal control over financial reporting during the year;
- (b) that there are no significant changes in accounting policies during the year; and
- (c) that there are no instances of significant fraud of which we have become aware.

**Sd/**

**RAJEEV SINGH DUGAL**  
Managing Director

**Sd/-**

**RECHAN CHHABRA**  
Chief Financial Officer

Place: Jamshedpur  
Date: May 30, 2017

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**AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE TO THE MEMBERS OF  
RSD FINANCE LIMITED**

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

We have examined the compliance of the conditions of Corporate Governance by RSD Finance Limited (“the Company”) for the year ended 31st March, 2017 as stipulated in:

- i. Regulation 23(4) of the SEBI(Listing Obligation and Disclosure Requirements) Regulations, 2015 (the Listing Regulations), and
- ii. Regulation 17 to 27 (excluding regulation 23(4) and clauses (b) to (i) of the Regulation 46(2) and Para C,D and E of Schedule V of the Listing Regulations

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

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

In our opinion and to the best of our information and according to our examination of the relevant records and the explanation given to us and the representatives made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate governance as stipulated in clause 49 of the listing agreement and regulation 17 to 27 and clauses (b) to (i) of Regulation 46(2) and Para C,D and E of Schedule V of the Listing Regulations for the respective periods of applicability as specified under paragraph 7 above, during the year ended March 31, 2017.

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

**For M/s Manisha Gupta & Associates**  
**Chartered Accountant**  
**(ICAI Firm Registration No – 017879C)**

**Sd/-**

(Manisha Gupta)  
Proprietor  
M. No. 066230  
Place : Jamshedpur  
Date : May 30, 2017

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## STATUTORY AUDITORS REPORT

We have examined the books of accounts and other records of **RSD FINANCE LIMITED** for the Financial Year ended March 31, 2017 on the basis of the information submitted to us, we certify the following:

Sl. No.	Particulars	Details
1	Name of the company	RSD FINANCE LIMITED
2	Certificate of Registration No.	05.01970
3	Registered office Address	224, AJC BOSE ROAD, KRISHNA BUILDING, 9 <sup>th</sup> FLOOR, ROOM NO. 902, KOLKATA – 700 017
4	Corporate office Address	C/o THE ALCOR HOTEL, H. NO-04, RAMDAS BHATTA, BISTUPUR, JAMSHEDPUR - 831001
5	The company has been classified by RBI as : (Investment Company / Loan Company / AFC / NBFC-MFI / NBFC- Factor / IFC / IDF- NBFC)	Investment Company
6	Net Owned Fund (in ` Crore) <i>(Calculation of the same is given in the Annex)</i>	42.69 Crore
7	Total Assets (in ` Crore)	43.16 Crore
8	Asset-Income pattern: (in terms of RBI Press Release 1998- 99/1269 dated April 8, 1999) a) % of Financial Assets to Total Assets b) % of Financial Income to Gross Income <i>(NBFC-Factor / NBFC-MFI / AFC / IFC may also report separately below)</i>	93.65%  90.60%

9	Whether the company was holding any Public Deposits, as on March 31, 2017?	No
10.	Has the company transferred a sum not less than 20% of its Net Profit for the year to Reserve Fund? <i>(in terms of Sec 45-IC of the RBI Act, 1934).</i>	Yes
11	Has the company received any FDI? If Yes, did the company comply with the minimum capitalization norms for the FDI?	No
12	If the company is classified as an NBFC- Factor; a) % of Factoring Assets to Total Assets b) % of Factoring Income to Gross Income	N.A.
13	If the company is classified as an NBFC- MFI; % of Qualifying Assets to Net Assets <i>(refer to <a href="#">Notification DNBS.PD.No.234 CGM (US) 2011 dated December 02, 2011</a>)</i>	N.A.
14	If the company is classified as an AFC; a) % of Advances given for creation of physical / real assets supporting economic activity to Total Assets b) % of income generated out of these assets to Total Income	N.A.
15	If the company is classified as an NBFC- IFC % of Infrastructure Loans to Total Assets	N.A.



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16	Has there been any takeover/acquisition of control/ change in shareholding/ Management during the year which required prior approval from RBI?	No
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In terms of paragraph 2 of Notification No. DNBS.201/DG(VL)-2008 dated September 18, 2008, a separate report to the Board of Directors of the company has been made.

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

**For Manisha Gupta & Associates**  
**Chartered Accountants**  
**(FRN-017879C)**

Sd/-

**(Manisha Gupta)**  
**Proprietor**  
**M. No- 066230**

**Date: 13/06/2017**  
**Place: Jamshedpur**

### Annexure - 1

	Capital Funds - Tier I	(₹ In crore)
1.	Paid up Equity Capital	6.47
2.	Pref. shares to be compulsorily converted into equity	0.00
3.	Free Reserves:	
	a. General Reserve	1.19
	b. Share Premium	0.00
	c. Capital Reserves	0.02
	d. Debenture Redemption Reserve	0.00
	e. Capital Redemption Reserve	0.00
	f. Credit Balance in P&L Account	26.74
	g. Other free reserves (may be specified)	0.00
4.	Special Reserves	6.32
	Total of 1 to 4	40.74
5.	<b>Less:</b> i. Accumulated balance of loss	0.00
	ii. Deferred Revenue Expenditure	0.00
	ii. Deferred Tax Assets (Net)	0.03
	iii. Other intangible Assets	0.00
	<b>Owned Fund</b>	<b>40.71</b>
6.	Investment in shares of	
	(i) Companies in the same group	0.00
	(ii) Subsidiaries	2.08
	(iii) Wholly Owned Subsidiaries	0.01
	(iv) Other NBFCs	0.00
7.	Book value of debentures, bonds outstanding loans and advances, bills purchased and is counted (including H.P. and lease finance) made to, and deposits with	
	(i) Companies in the same group	
	(ii) Subsidiaries	0.00
	(iii) Wholly Owned Subsidiaries/Joint Ventures Abroad	0.00
8.	Total of 6 and 7	2.09
9.	Amount in item 8 in excess of 10% of Owned Fund	(1.98)
10.	<b>Net Owned Fund</b>	<b>42.69</b>

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**TO WHOM SO EVER IT MAY CONCERN**

This is to certify that M/s RSD Finance Limited having its registered office at 224, A.J.C. Bose Road, 902, Krishna Building, Kolkata, West Bengal-700017 continues to do the business of NBF1 and was holding the Certificate of Registration issued u/s 45(1A) of the Reserves Bank of India Act, 1934, for the year ended 31.03.2017.

This is to further certify that the Financial Assets of the Company are 93.65% in Comparison to the Total Assets and that the Financial Income is 90.60% of the Total Income of the Company.

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

**For Manisha Gupta & Associates**  
**Chartered Accountants**  
(FRN – 017879C)

Sd/-

**(Manisha Gupta)**  
**Proprietor**  
**M. No. -066230**

**Place: Jamshedpur**  
**Date: The 13th Day of June, 2017**

*Standalone  
Financial  
Statements*

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

### REPORT ON THE STANDALONE FINANCIAL STATEMENTS

We have audited the accompanying standalone financial statement of RSD Finance Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Profit and Loss Statement, the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

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

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

### AUDITOR'S RESPONSIBILITY

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

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

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

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

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

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## OPINION

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2017 and its profit and its cash flows for the year ended on that date.

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the 'Annexure A', a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b) In our opinion, proper books of accounts as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Profit and Loss Statement, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid standalone financial statements comply with the

Accounting standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

- e) On the basis of the written representation received from the directors as on March 31, 2017, taken on record by the Board of directors, none of the directors is disqualified as on March 31, 2017, from being appointed as a director in terms of section 164(2) of the Act.
- f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in 'Annexure B'; and
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules 2014, in our opinion and to the best of our information and accordingly to the explanation given to us:
  - i) The Company does not have any pending litigation which would impact on its financial position as on 31<sup>st</sup> March 2017.
  - ii) The Company did not have any material foreseeable losses on long - term contracts including derivative contracts.
  - iii) The provision related to Investor Education and Protection Fund is not applicable to the Company.

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iv) The Company has provided requisite disclosures in the Financial Statements as regards its holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated November 8, 2016 of the Ministry of Finance, during the period from November 8, 2016 to December 30, 2016. Based on audit procedure performed and the representations provided to us by the management we report that the disclosures are in accordance with the

books of account maintained by the Company and as produced to us by the Management.

**For Manisha Gupta & Associates**  
**Chartered Accountants**  
**(FRN – 017879C)**

**Sd/-**

**(Manisha Gupta)**  
**Proprietor**  
**M. No. -066230**

**Place: Jamshedpur**  
**Date: The 30th Day of May, 2017**

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**‘Annexure A’ CARO 2016 Report on the standalone financial statement of RSD Finance Limited for the year ended March 31, 2017**

To the Members of RSD Finance Limited

[Referred to in paragraph 1 under ‘Report on Other Legal and Regulatory Requirements’ of our Report of even date to the members of **RSD Finance Limited** on the accounts of the company for the year ended 31st March, 2017]

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

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

The Company does not have any inventory during the year, Hence this point of report is not applicable.
  - iii. The company has not granted unsecured loans to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013:
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act, with respect to the loans and investments made.
  - v. According to the information and explanations given to us, the Company has not accepted any deposit from the public.
  - vi. According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) (d) of the Companies Act, 2013 in respect of any of the products dealt with by the company.
  - vii. In respect of statutory dues:
    - a) According to the records of the Company, undisputed statutory dues including Provident Fund, Employees’ State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues have been generally regularly deposited with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at March 31, 2017 for a period of more than six months from the date of becoming payable.
    - b) According to the information and explanations provided to us, by the management, there are no disputed dues of sales tax, income tax, custom tax, excise duty, service tax, and cess.
  - viii. Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that the Company has not



- 
- defaulted in repayment of dues to financial institutions, banks and debenture holders.
- ix. The Company did not raise any money by way of initial public offer or further public offer.
- x. In our opinion and according to the information and explanation given to us, no material fraud by the company and no material fraud on the company by its officers or employees has been noticed or reported during the course of our audit.
- xi. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid / provided for managerial remuneration in accordance with the provisions of Section 197 read with Schedule V to the Act.
- xii. In our opinion and according to the information and explanation given to us, the Company is not a nidhi company. Accordingly Paragraph 3(xii) of the Order is not applicable.
- xiii. According to the information and explanations provided to us and based on the examination of the records of the Company, transactions with the related parties are in compliance with Section 177 and 188 of the Act where applicable and details of such transaction have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations provided to us and based on the examination of the records of the Company, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv. According to the information and explanations provided to us and based on the examination of the records of the Company, the company has not entered into any non-cash transactions with directors or persons connected with him.
- xvi. The Company is already a Non-Banking Financial Company and is registered under Section 45-IA of the Reserve Bank of India Act, 1934.

**For Manisha Gupta & Associates  
Chartered Accountants  
(FRN – 017879C)**

**Sd/-**

**(Manisha Gupta)  
Proprietor  
M. No. -066230**

**Place: Jamshedpur  
Date: The 30th Day of May, 2017**

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## **Annexure B to the Auditors' Report**

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

We have audited the internal financial controls over financial reporting of **RSD Finance Limited** ('the Company') as of 31 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 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the 'Guidance Note') and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and,

both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

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

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

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

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that

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receipts and expenditures of the Company are being made only in accordance with authorizations of the Management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

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

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

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For Manisha Gupta & Associates  
Chartered Accountants  
(FRN – 017879C)**

**Sd/-**

**(Manisha Gupta)  
Proprietor  
M. No. -066230**

**Place: Jamshedpur  
Date: The 30th Day of May, 2017**

**RSD Finance Limited**  
**Balance Sheet as at 31st March, 2017**

			Amount in ₹
Particulars	Note No.	As at 31st March, 2017	As at 31st March, 2016
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholder's Funds</b>			
(a) Share Capital	3	64,732,400	64,732,400
(b) Reserves and Surplus	4	342,732,123	300,249,801
<b>(2) Non-Current Liabilities</b>			
(a) Long-Term Borrowings	5	4,871,051	38,148,790
<b>(3) Current Liabilities</b>			
(a) Other Current Liabilities	6	10,020,219	15,274,214
(b) Short-Term Provisions	7	9,230,949	2,922,154
<b>TOTAL</b>		<b>431,586,742</b>	<b>421,327,359</b>
<b>II. ASSETS</b>			
<b>(1) Non-Current Assets</b>			
<b>(a) Fixed Assets</b>			
(i) Tangible Assets	8	15,893,785	11,618,878
(b) Non-Current Investments	9	248,811,688	263,238,129
(c) Deferred Tax Assets (Net)	25	312,139	373,697
(d) Long-Term Loans and Advances	10	91,895,262	65,424,510
<b>(2) Current Assets</b>			
(a) Current Investment	11	52,751,728	72,586,688
(b) Trade Receivables	12	691,016	854,420
(c) Cash and Cash Equivalents	13	11,272,951	1,433,328
(d) Short-Term Loans and Advances	14	36,713	1,348,016
(e) Other Current Assets	15	9,921,460	4,449,693
<b>TOTAL</b>		<b>431,586,742</b>	<b>421,327,359</b>

See accompanying notes to the financial statements

**As per our report of even date attached**

**For Manisha Gupta & Associates**  
**Chartered Accountants**  
**(FRN No. 017879C)**

**Sd/-**  
**(Manisha Gupta)**  
**Proprietor**  
**Membership No.066230**

**Place : Jamshedpur**  
**Dated: The 30th day of May, 2017**

**For and on behalf of the Board of Directors of**  
**RSD Finance Limited**

**Sd/-**

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

**Sd/-**

**Rechan Chhabra**  
**Chief Financial Officer**

**Sd/-**

**Upneet Dugal**  
**Director**  
**DIN - 07680726**

**Sd/-**

**Puja Choudhary**  
**Company Secretary**

**RSD Finance Limited**  
**Profit & Loss Statement for the year ended 31st March, 2017**

Amount in ₹

Particulars	Note No.	Year Ended 31st March, 2017	Year Ended 31st March, 2016
I. Revenue from Operations	16	66,644,333	37,566,984
II. Other Incomes	17	7,589,107	20,328,496
III. <b>Total Revenue (I + II)</b>		<b>74,233,440</b>	<b>57,895,481</b>
IV. Expenses:			
Employee Benefit Expenses	18	6,120,507	5,720,498
Finance Costs	19	432,180	4,152,808
Depreciation and Amortization Expenses	8	1,039,697	1,234,266
Other Expenses	20	14,678,470	17,887,309
<b>Total Expenses</b>		<b>22,270,854</b>	<b>28,994,880</b>
V Profit before Tax (III - IV)		51,962,586	28,900,601
VI Tax Expense:			
(1) Current tax		9,230,949	2,922,154
(2) Deferred Tax	25	61,558	(55,242)
VII Profit/ (Loss) for the Period (V - VI)		42,670,079	26,033,689
VIII Earnings Per Equity Share			
(1) Basic		6.59	4.02
(2) Diluted		6.59	4.02

**See accompanying notes to the financial statements**

**As per our report of even date attached**

**For Manisha Gupta & Associates**  
**Chartered Accountants**  
**(FRN No. 017879C)**

**For and on behalf of the Board of Directors of**  
**RSD Finance Limited**

Sd/-

Sd/-

Sd/-

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

**Upneet Dugal**  
**Director**  
**DIN - 07680726**

**(Manisha Gupta)**

**Proprietor**

**Membership No.066230**

Sd/-

Sd/-

**Place : Jamshedpur**

**Dated: The 30th day of May, 2017**

**Rechan Chhabra**  
**Chief Financial Officer**

**Puja Choudhary**  
**Company Secretary**



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**RSD Finance Limited**  
**Notes forming Integral part of the Financial Statements**

**Note# 1**

**Corporate Information**

The Company is duly incorporated under the provisions of Companies Act 1956 as a Public Limited Company. The company also holds the status of Non Banking Finance Company under the provisions of RBI and engaged in the business of Non Banking Financing Activities.

**Note# 2**

**Summary of Significant Accounting Policies**

**2.1. Accounting Policies:**

The financial statements have been prepared and presented under the historical cost convention on the accrual basis of accounting following generally accepted accounting principles in India (GAAP) and comply with the Accounting Standards issued by the Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 2013, to the extent applicable. and directions prescribed by the Reserve Bank of India. The financial statements are presented in Indian rupees.

**2.2. Revenue Recognition:**

Income and expenditure are accounted for on accrual basis, wherever ascertainable.  
Dividend are recognised only when the right to receive is established  
Interest Income is recognised as and when they become accrued.

**2.3. Fixed Assets:**

Fixed assets are carried at cost of acquisition or construction less accumulated depreciation. The cost of fixed assets comprises of purchase price and all other attributable costs of bringing the assets to working condition for intended use. The WDV of those assets whose useful life has expired as per the provision of Schedule-II to the Companies Act 2013 has been charged off to Reserve and Surplus available.

**2.4. Depreciation:**

On fixed assets, depreciation is provided on written down Value method. The rates of depreciation prescribed in Schedule II to the Companies Act, 2013, are considered as minimum rates.  
Leasehold Land is not depreciated or amortized.

**2.5. Investment:**

Investments are accounted for as per accounting standard-13 issued by ICAI and duly notified by the Central Government.  
Long Term Investments are stated at cost of acquisition until there is a permanent diminution in the value of the investment.

**2.6. Retirement Benefits:**

Contribution to Provident Fund is made at prescribed rates and charged to the Profit & Loss Account. Leave Encashment is accounted for in the year in which option of encashment is exercised by the employee.

**2.7. Contingent Liabilities:**

Contingent liability is a possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the enterprise, or is a present obligation that arises from past events but is not recognised because either it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or a reliable estimate of the amount of the obligation cannot be made.

**2.8. Foreign exchange transactions**

The Company during the year did not have foreign exchange transaction.

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## **RSD Finance Limited**

### **Notes forming Integral part of the Financial Statements**

- 2.9.** No provision has been made in respect of accrued gratuity liability and leave encashment benefit as on 31/03/2017 and these will be accounted for on cash basis.
- 2.10. Taxation**  
Income tax expense comprises current tax (i.e. amount of tax for the period determined in accordance with Income Tax Act, 1961) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period). The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantively enacted by the balance sheet date.
- Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only if there is a virtual certainty of realization of such assets. Deferred tax assets are reviewed as at each balance sheet date and written down or written up to reflect the amount that is reasonably / virtually certain (as the case may be) to be realised.
- 2.11.** The Company has not accepted any Public Deposits during the year under review and the Board of Directors have passed resolution to the effect that the Company has neither accepted Public Deposit nor would accept any public Deposit during the year.
- 2.12.** Borrowing Cost that are directly attributable to the acquisition/ construction of the qualifying asset are capitalised until the time all the substantial activities necessary to prepare such assets for the intended use are complete. All other borrowing costs are recognised as expenditure during the period in which they are incurred.



**RSD Finance Limited**  
**Notes forming Integral part of Financial Statements**

Amount in (₹)

Particulars	As at 31st March, 2017	As at 31st March, 2016
<b>NOTE # 3</b>		
<b>Share Capital</b>		
<b>Authorised Capital</b>		
6,500,000 Equity Shares of ₹ 10/- each		
<i>(P.Y. 6,500,000 Equity Shares of ₹10/- each)</i>	<b>65,000,000</b>	<b>65,000,000</b>
<b>Issued, Subscribed and Paid up</b>		
6,473,240 Equity Shares of ₹ 10/- each	64,732,400	64,732,400
<i>(P.Y. 6,473,240 Equity Shares of ₹10/- each)</i>	<b>64,732,400</b>	<b>64,732,400</b>

**NOTE # 3(a)**

**Reconciliation of the number of shares at the beginning & end of the Reporting Period.**

Number of shares at the beginning of the year	6,473,240	6,473,240
Addition during the year	-	-
Number of shares at the end of the year	<b>6,473,240</b>	<b>6,473,240</b>

**NOTE # 3(b)**

**Shares held by each shareholder holding more than 5% shares, specifying the number of shares held.**

Name of the Shareholder	No of shares	%	No of shares	%
Rajeev Singh Dugal	4,044,540	62.48%	4,044,540	62.48%
K U Benefit Trust	791,000	12.22%	791,000	12.22%

**NOTE # 3(c)**

**Rights, preferences and restrictions attached to shares**

The company has one class of equity shares having a par value of ₹10 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

**NOTE # 4**

**Reserves and Surplus**

(a) Capital Reserve

As per last Balance Sheet	236,775	236,775
Addition during the year	-	-
	<b>236,775</b>	<b>236,775</b>

(b) Statutory Reserve

As per last Balance Sheet	54,679,397	49,472,659
Addition during the year	8,534,016	5,206,738
	<b>63,213,413</b>	<b>54,679,397</b>

(c) Surplus i.e. Balance in the Statement of Profit & Loss

As per last Balance Sheet	233,412,071	212,329,384
Addition during the year	42,670,078	26,033,688
Less: P/L Appropriation	187,756	(255,736)
Less: Transfer to Statutory Reserve	8,534,016	5,206,738
	<b>267,360,377</b>	<b>233,412,071</b>

(d) General Reserve

As per last Balance Sheet	11,921,558	11,921,558
Addition during the year	-	-
	<b>11,921,558</b>	<b>11,921,558</b>

**342,732,123**

**300,249,801**

**RSD Finance Limited**  
**Notes forming Integral part of Financial Statements**

<b>Particulars</b>	<b>As at 31st March, 2017</b>	<b>Amount in (₹) As at 31st March, 2016</b>
<b>NOTE # 5</b>		
<b>Long-Term Borrowings</b>		
<b>Secured Loan</b>		
Vehicle Loan from HDFC Bank(Honda Amaze)	256,596	259,368
Vehicle Loan from Axis Bank(Fortuner)	-	511,381
Loan from Kotak Mahindra Investment Limited	-	33,000,000
* The vehicle loan is financed by way of hypothecation of the vehicle financed.		
i) The vehicle loan(Honda Amaze) to be repaid at an EMI of ₹ 14160		
<b>Unsecured Loan</b>		
Ashdil Trading Co(P) Ltd	3,777,245	3,583,724
Polo Suppliers(P) Ltd	837,210	794,317
	<b>4,871,051</b>	<b>38,148,790</b>
<b>NOTE # 6</b>		
<b>Other Current Liabilities</b>		
Current Maturities of Long-Term Debt	511,381	566,331
Advance Received From Body Corporate	-	6,189,520
<b>Other Payables:</b>		
a) Liability Against Salary	310,076	132,063
b)TDS Payable	200,759	233,987
c)EPF/ESIC Payable	40,096	10,069
d) Service Tax Payable	47,894	30,933
e) Other Creditors	8,910,013	8,111,311
	<b>10,020,219</b>	<b>15,274,214</b>
<b>NOTE # 7</b>		
<b>Short-Term Provisions</b>		
Provision for Tax	9,230,949	2,922,154
	<b>9,230,949</b>	<b>2,922,154</b>

## NOTE # 8

## Tangible Assets as on 31st March 2017

S.NO	PARTICULARS	GROSS BLOCK				DEPRECIATION BLOCK			NET BLOCK	
		COST AS ON 01.04.2016	ADDITIONS DURING THE YEAR	SALE / DISPOSAL DURING THE YEAR	TOTAL AS ON 31.03.2017	UPTO 01.04.2016	FOR THE YEAR	UPTO 31.03.2017	NET CARRYING AMOUNT AS ON 31.03.2017	NET CARRYING AMOUNT AS ON 31.03.2016
1	Land(Freehold)	10,000	-	-	10,000	-	-	-	10,000	10,000
2	Land(Leasehold)	6,257,862	-	-	6,257,862	-	-	-	6,257,862	6,257,862
3	Capital WIP at Adityapur	551,810	1,243,878	1,795,688.00	0	-	-	-	0	551,810
4	Building	1,468,848	-	-	1,468,848	1,287,646	20,311	1,307,957	160,891	181,202
5	Building (Staff Quarter)	-	5,751,184	-	5,751,184	-	134,720	134,720	5,616,464	-
6	Flat	3,032,300	-	-	3,032,300	867,198	189,534	1,056,732	1,975,568	2,165,102
7	Plant & Machinery	1,645,658	63,230	-	1,708,888	1,071,346	63,137	1,134,483	574,405	574,312
8	Lab Appartus	17,375	-	-	17,375	17,374	-	17,374	1	1
9	Electric Installation	1,037,957	-	-	1,037,957	1,012,957	-	1,012,957	25,000	25,000
10	Generator Set	304,562	-	-	304,562	302,562	-	302,562	2,000	2,000
11	Furniture & Fixtures	257,670	-	-	257,670	236,280	8,213	244,493	13,177	21,390
12	Computer	305,972	52,000	-	357,972	305,971	4,759	310,730	47,242	1
13	Xerox Machine	121,436	-	-	121,436	121,435	-	121,435	1	1
14	Motor Cycle	35,303	-	-	35,303	34,303	-	34,303	1,000	1,000
15	Motor Car (Mercedes Benz)	2,539,846	-	-	2,539,846	2,194,676	133,339	2,328,015	211,831	345,170
16	Motor Car (Toyota Fortuner)	2,387,101	-	-	2,387,101	1,501,522	291,809	1,793,331	593,770	885,579
17	Motor Car (Honda Amaze)	1,409,950	-	-	1,409,950	860,413	185,609	1,046,022	363,928	549,537
18	Air Conditioner	49,521	-	-	49,521	40,354	1,427	41,781	7,740	9,167
19	Office Equipment	89,438	-	-	89,438	89,436	-	89,436	2	2
20	Printer	7,000	-	-	7,000	6,650	-	6,650	350	350
21	Refrigerator	33,000	-	-	33,000	12,364	3,647	16,011	16,989	20,636
22	Telephone & Mobile	29,750	-	-	29,750	10,993	3,192	14,185	15,565	18,757
	<b>TOTAL</b>	<b>21,592,360</b>	<b>7,110,292</b>	<b>1,795,688</b>	<b>26,906,964</b>	<b>9,973,481</b>	<b>1,039,697</b>	<b>11,013,178</b>	<b>15,893,785</b>	<b>11,618,878</b>
	<b>Previous Year</b>	<b>20,943,660</b>	<b>648,700</b>	<b>-</b>	<b>21,592,360</b>	<b>8,739,216</b>	<b>1,234,266</b>	<b>9,973,481</b>	<b>11,618,878</b>	<b>12,204,444</b>

**RSD Finance Limited**  
**Notes forming Integral part of Financial Statements**

Particulars	Amount in (₹)	
	As at 31st March, 2017	As at 31st March, 2016
<b>NOTE # 9</b>		
<b>Non-Current Investments</b>		
<b>Investments in Equity Instruments</b>		
<b>(a) Equity Shares (Quoted)</b>	<b>Number</b>	<b>Number</b>
Sanraa Media Limited	225,000	225,000
(Market Value of the above shares NIL)	<u>260,546</u>	<u>260,546</u>
<b>(b) Equity Shares (Unquoted)</b>		
Investment in Unquoted Shares	<u>20,886,050</u>	<u>31,786,050</u>
	<b>20,886,050</b>	<b>31,786,050</b>
<b>(c) Investments in Mutual Funds</b>		
Reliance Capital Builder Fund	1,000,000	1,000,000
(Market Value of the quoted securities Rs. 1,53,35,600/- P. Y. 1,12,35,400/-)	<u>10,000,000</u>	<u>10,000,000</u>
	<b>10,000,000</b>	<b>10,000,000</b>
<b>(d) Investments in Bonds</b>		
HUDCO Tax Free Bonds	<u>15,000,000</u>	<u>15,000,000</u>
	<b>15,000,000</b>	<b>15,000,000</b>
<b>(e) Investments in Debentures</b>		
Indostar Credit Fund	5,813,006	6,600,000
Krishna Enterprises( H & I) India Pvt Ltd	-	12,000,000
Ansal Hi-tech Township Ltd.	67,032,725	60,000,000
Umang Realtech Pvt Ltd.	-	6,910,386
	<u>72,845,731</u>	<u>85,510,386</u>
	<b>72,845,731</b>	<b>85,510,386</b>
<b>(f) Investments in PMS</b>		
Quest Investment Advisors Pvt Ltd.	13,819,497	12,532,706
Unifi Capital Private Limited.	7,288,779	6,430,998
ICICI Prudential Asset Management Co Ltd.	100,211,085	100,717,444
Zodious Technology Opportunity Fund	8,500,000	1,000,000
	<u>129,819,362</u>	<u>120,681,147</u>
	<b>129,819,362</b>	<b>120,681,147</b>
	<u>248,811,688</u>	<u>263,238,129</u>
	<b>248,811,688</b>	<b>263,238,129</b>
<b>NOTE # 10</b>		
<b>Long-Term Loans and Advances</b>		
<i>Secured</i>		
<b>Corporate Loan</b>		
ALM Infotech City Pvt. Ltd.	15,000,000	15,000,000
Santosh Trust	1,706,752	50,000,000
Sigma HTS LLP	74,800,000	-
<i>Unsecured, Considered Good</i>	-	80,000
<b>Security Deposits with:</b>		
(a) FD to High Court	18,300	18,300
(b) JUSCO	332,760	313,760
(c) Others	37,450	12,450
	<u>91,895,262</u>	<u>65,424,510</u>
	<b>91,895,262</b>	<b>65,424,510</b>

**RSD Finance Limited**  
**Notes forming Integral part of Financial Statements**

Amount in (₹)

Particulars	As at		As at	
	31st March, 2017		31st March, 2016	
<b>NOTE # 11</b>				
<b>Current Investments</b>				
<b>Investments in Equity Instruments</b>				
<b>(a) Equity Shares (Quoted)</b>				
	<b>Number</b>		<b>Number</b>	
Hindustan Media Ventures Ltd.	-	-	5,580	1,496,867
IDFC Ltd	10,000	720,248	10,000	720,248
IDFC Bank Ltd	10,000	468,672	10,000	468,672
<i>(Market Value of the quoted securities</i>				
<i>Rs. 11,38,000) P.Y. Rs. 22,89,558/-</i>		<b>1,188,920</b>		<b>2,685,787</b>
<b>(b) Investments in Mutual Funds</b>				
Birla Sunlife Top 100 Fund		7,013,410		7,013,410
IDFC All Season Bond Fund-Growth		-		20,000,000
IDFC Dynamic Bond Fund		500,000		500,000
IDFC-GSF-IP Growth Fund		-		1,089,085
IDFC Monthly Income Plan		8,049,292		8,049,292
IDFC Money Manager Fund		13,525,000		763,261
Kotak India Growth Fund		10,000,000		10,000,000
Kotak Short Term Daily Dividend		222,426		-
Kotak Select Focus Fund		11,244,990		11,244,990
Kotak Treasury Advantage Fund (G)		1,007,690		6,110,539
Sundaram Growth Fund		-		5,130,323
<i>(Market Value of the Mutual Funds Rs.</i>		<b>51,562,808</b>		<b>69,900,901</b>
<i>5,82,13,437) P.Y. 7,07,82,903</i>				
		<b>52,751,728</b>		<b>72,586,688</b>
<b>NOTE # 12</b>				
<b>Trade Receivables</b>				
<i>Unsecured, Considered Good</i>				
- Outstanding for a period exceeding six months		87,381		-
- Others		603,635		854,420
		<b>691,016</b>		<b>854,420</b>

**RSD Finance Limited**  
**Notes forming Integral part of Financial Statements**

Amount in (₹)

Particulars	As at 31st March, 2017	As at 31st March, 2016
<b>NOTE # 13</b>		
<b>Cash and Cash Equivalents</b>		
<b>Balance with Banks</b>		
(a) IDBI Bank(879)	449,218	139,745
(b) IDBI Bank (949)	218,752	109,154
(c) UTI Bank	21,142	21,142
(d) Punjab National Bank	10,773	11,004
(e) Bank of India	5,719	5,719
(f) Kotak Mahindra Bank-1055	7,791,746	46,788
(g) Kotak Mahindra Bank-1062	2,367,900	826,031
(h) Kotak Mahindra Bank-3615	-	172,500
(i) Kotak Mahindra Bank-5086	651	770
(j) State bank of India	263,486	35,626
<b>Cash in Hand</b>	143,565	64,848
<i>(as per cash book and duly cetified by the management)</i>	<b>11,272,951</b>	<b>1,433,328</b>
<b>NOTE # 14</b>		
<b>Short-Term Loans and Advances</b>		
Advance to staff	40,065	13,357
Kotak Securities	(3,352)	(265,341)
Other Advances	-	1,600,000
	<b>36,713</b>	<b>1,348,016</b>
<b>NOTE # 15</b>		
<b>Other Current Assets</b>		
Balance with Revenue Authorities	9,921,460	4,449,693
	<b>9,921,460</b>	<b>4,449,693</b>

**RSD Finance Limited**  
**Annexures to the Profit & Loss Statement**

Particulars	Amount in (₹)	
	Year Ended 31st March, 2017	Year Ended 31st March, 2016
<b>NOTE # 16</b>		
<b>Revenue From Operations</b>		
Sale of Services	6,979,151	7,643,321
Interest Income	59,665,182	29,923,663
	<b>66,644,333</b>	<b>37,566,984</b>
<b>NOTE # 17</b>		
<b>Other Incomes</b>		
Other Incomes	214,000	1,985,465
Dividend Income	5,411,594	13,291,983
Net Gain on sale of Investments	1,963,513	5,051,049
	<b>7,589,107</b>	<b>20,328,496</b>
<b>NOTE # 18</b>		
<b>Employee Benefit Expenses</b>		
Salaries	2,914,498	2,387,550
Stipend	1,291,783	1,559,573
Contribution to PF and Other Funds	289,956	104,998
Directors Remuneration	1,425,000	1,200,000
House Rent Allowance	-	51,525
Staff & Labour Welfare Expenses	199,270	416,852
	<b>6,120,507</b>	<b>5,720,498</b>
<b>NOTE # 19</b>		
<b>Finance Costs</b>		
Interest on TDS & S. Tax	700	16,691
Interest on Unsecured Loan	262,682	249,224
Interest on Short Term Loan	57,291	3,694,097
Interest on Car Loan	111,507	192,796
	<b>432,180</b>	<b>4,152,808</b>
<b>NOTE # 20(a)</b>		
<b>Other Manufacturing Expenses</b>		
Store and Hardware Consumed	2,581,238	2,536,136
Job Charges	1,596,975	1,850,589
Repair & Maintenance	193,299	256,142
Loading & Unloading Charges	-	41,610
Power & Fuel	1,311,071	1,930,611
	<b>5,682,583</b>	<b>6,615,089</b>

**RSD Finance Limited**  
**Annexures to the Profit & Loss Statement**

<b>Particulars</b>	<b>Amount in (₹)</b>	
	<b>Year Ended 31st March, 2017</b>	<b>Year Ended 31st March, 2016</b>
<b>NOTE # 20(b)</b>		
<b>Administrative and Selling Expenses</b>		
Advertisement Expenses	57,505	41,497
Bank Charges & Interest	4,312	4,829
Business Promotion Expenses	141,204	92,270
Conveyance & Travelling	230,594	414,183
Directors Sitting Fees	28,000	-
Demat Charges	7,405	1,740
Fees & Subscription	75,707	25,740
General Expenses	137,241	111,777
Insurance Charges	501,913	494,970
Listing Fees & Stock Exchange Charges	362,002	3,285,114
Rent,Rates & Taxes	29,041	872,051
Office Maintenance	146,587	132,041
Postage ,Telegram & Telephone	103,293	145,415
Printing & Stationery	135,631	165,216
Auditors' Remuneration	50,000	50,000
Proffesional & Legal Expenses	3,298,762	1,702,592
Repair & Maintenance	645,097	254,069
Security Transaction Tax	14,467	8,496
Security Charges	998,533	937,267
Management and Upfront Fees	2,028,594	2,532,954
	<b>8,995,887</b>	<b>11,272,219</b>
<b>Total(a+b)</b>	<b>14,678,470</b>	<b>17,887,309</b>



**RSD FINANCE LIMITED**  
**Notes forming Integral part of the Financial Statements**

**Note# 21**

**Related Party Disclosures:**

Related party disclosures as required under AS - 18 on "Related Party Disclosure" notified by the Central Government under the Companies (Accounting Standards) Rules, 2006.

**Subsidiaries Companies**

Precision Automotive Pvt Ltd.  
S R P Oil Private Limited

**Key Management Personnel**

Rajeev Singh Dugal  
Upneet Dugal  
Rechan Chhabra  
Puja Choudhary

**Transactions during the Year**

	<b>Current Year (₹ in Lacs)</b>	<b>Previous Year (₹ in Lacs)</b>
<b>Services Availed</b>	<b>0.36</b>	<b>0.36</b>
a. Rajeev Singh Dugal	0.36	0.36
<b>Services Rendered</b>	<b>21.01</b>	<b>24.83</b>
a. Precision Automotive Pvt Ltd.	21.01	24.83
<b>Managerial Remuneration</b>	<b>14.25</b>	<b>12.00</b>
a. Rajeev Singh Dugal	12.00	12.00
b. Upneet Dugal	2.25	-
<b>Remuneration to Related Party</b>		
a. Kawaljeet Dugal	2.75	6.60
<b>Outstanding balance as on 31.03.2017</b>		
	<b>(1.79)</b>	<b>(0.34)</b>
a. Precision Automotive Pvt Ltd.	(1.79)	(0.34)

**Note# 22**

On the basis of information available with the company, there are no small-scale industrial undertakings to which the Company owes any sum which is outstanding for more than 30 days.

**RSD FINANCE LIMITED**  
Notes forming Integral part of the Financial Statements

**Note# 23**

**Accounting Standard (AS) 17- Segment Reporting:**

**Information about Primary Business Segments**

(₹ In Lacs)

Particulars	Finance	Job Work	Unallocable	Total
Total Revenue	<b>672.54</b> 502.52	<b>69.79</b> 76.43	-	<b>742.33</b> 578.95
<b>Segment Result before</b>	<b>524.04</b> 331.69	<b>(0.09)</b> (1.16)	-	<b>523.95</b> 330.53
Less : Interest Expenses				<b>4.32</b> 41.53
<b>Profit before Taxes</b>				<b>519.63</b> 289.00
Taxes				<b>92.93</b> 28.67
<b>Profit after Taxes</b>				<b>426.70</b> 260.33
Segment Assets	<b>4,138.99</b> 4,090.39	<b>83.22</b> 88.81	<b>3.12</b> 34.07	<b>4,225.33</b> 4,213.27
Segment Liabilities	<b>150.69</b> 563.45	-	-	<b>150.69</b> 563.45
Capital Expenditure	-	<b>53.15</b> 6.49	-	<b>53.15</b> 6.49
Depreciation	<b>8.22</b> 11.66	<b>0.83</b> 0.68	-	<b>9.05</b> 12.34

**Note # 24**

**Earnings Per Share (EPS):**

	Current Year	Previous Year
No of Ordinary Shares at the Beginning of the year	6,473,240	6,473,240
No of Ordinary Shares at the End of the year	6,473,240	6,473,240
Weighted Average No. of Ordinary Shares Outstanding during the year	6,473,240	6,473,240
Profit (Loss) after tax for calculation of Basic EPS	42,670,079	26,033,689
Profit (Loss) after tax for calculation of Diluted EPS	42,670,079	26,033,689
Basic Earnings per share (₹)	6.59	4.02
Diluted Earnings per share (₹)	6.59	4.02

**RSD FINANCE LIMITED**  
**Notes forming Integral part of the Financial Statements**

**Note# 25**

**Deferred Tax Asset/ Liability (Net):**

	<b>Deferred Tax Asset/(-) Liability as at 01.04.16</b>	<b>Current Year Charge/ (Credit)</b>	<b>Deferred Tax Asset/(-) Liability as at 31.03.17</b>
<b>Deferred Tax Liability</b>			
Difference between Book and Income Tax Depreciation	373,697	(61,558)	312,139

**Note# 26**

**Directors Remuneration**

**Salaries**

	<b>Current Year</b>	<b>Previous Year</b>
Mr. Rajeev Singh Dugal	1,200,000	1,200,000
Ms. Upneet Dugal	225,000	-

**Note# 27**

**Specified Bank Notes Disclosure (SBNs)**

In accordance with the MCA notification G.S.R. 308(E) dated March 30, 2017 details of Specified Bank Notes (SBN) and Other Denomination Notes (ODN) held and transacted during the period from November 8, 2016 to December 30, 2016, is given below :

**Particulars**

Closing Cash on hand as on November 8, 2016  
 (+) Non Permitted receipts  
 (+) Permitted Receipts  
 (-) Permitted Payments  
 (-) Amount deposited in Banks

	<b>SBNs</b>	<b>ODNs</b>	<b>Total</b>
Closing Cash on hand as on November 8, 2016	202,000.00	54,720.00	256,720.00
(+) Non Permitted receipts	-	-	-
(+) Permitted Receipts	-	350,000.00	350,000.00
(-) Permitted Payments	-	285,858.00	285,858.00
(-) Amount deposited in Banks	202,000.00	-	202,000.00
Closing Cash on hand as on December 30, 2016	-	<b>118,862.00</b>	<b>118,862.00</b>

**RSD FINANCE LIMITED**  
**Notes forming Integral part of the Financial Statements**

**Note # 28**

**RBI Schedule for NBFC'S :**

Schedule to the Balance Sheet of a non-deposit taking Non-Banking Financial Company as required in terms of paragraph 13 of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007.

		<b>As at 31st March, 2017</b>	
<b>Liabilities Side:</b>		<b>Amount Outstanding (₹ in Lacs)</b>	<b>Amount Overdue</b>
<b>1. Loans and Advances availed by the NBFC'S inclusive of interest accrued thereon but not paid :</b>			
(a) Debentures :	Secured	NIL	NIL
	Unsecured	NIL	NIL
(other than falling within the meaning of public deposits)			
(b) Deferred Credits		NIL	NIL
(c) Term Loans			
(d) Inter-Corporate Loans & Borrowings		46.14	43.78
(e) Commercial Paper		NIL	NIL
(f) Other Loan (specify nature)		0.00	0.00
<b>2. Break-up (1)(f) above (Outstanding public deposits inclusive of Interest accrued thereon but not paid) :</b>			
(a) In the form of Unsecured Debentures		NIL	NIL
(b) In the form of partly secured debentures where there is a shortfall in the value of security		NIL	NIL
(c) Other Public Deposits		NIL	NIL

**RSD FINANCE LIMITED**  
**Notes forming Integral part of the Financial Statements**

**Amount Outstanding**  
**As on 31.03.2017**  
**(₹ In Lacs)**

**Assets Side:**

**3. Break-up of Loans and Advances including bills receivable [other than those including in (4) below]:**

(a) Secured	915.07
(b) Unsecured	3.89

**Break-up of Leased Assets and Stock on hire and other assets counting Towards AFC activities:**

(I) Lease Assets including lease rentals under sundry debtors :	NIL
(a) Financial Lease	NIL
(b) Operating Lease	NIL
(II) Stock on hire including hire charges under sundry debtors :	NIL
(a) Assets on hire	NIL
(b) Repossessed Assets	NIL
(III) Other Loans counting towards AFC activities :	NIL
(a) Loans where Assets have been repossessed	NIL
(b) Loans other than (a) above	NIL

**4. Break-up of Investments:**  
**Current Investments**

(I) Quoted	
(a) Shares :	
(i) Equity	11.89
(ii) Preference	NIL
(b) Debentures & Bonds	NIL
(c) Units of Mutual Funds	515.63
(d) Government Securities	NIL
(e) Other (please specify)	NIL
(II) Unquoted	
(a) Shares :	
(i) Equity	NIL
(ii) Preference	NIL
(b) Debentures & Bonds	NIL
(c) Units of Mutual Funds	NIL
(d) Government Securities	NIL
(e) Other (please specify)	NIL

**RSD FINANCE LIMITED**  
**Notes forming Integral part of the Financial Statements**

**Long Term Investments**

(I) Quoted		
(a) Shares :	(i) Equity	2.61
	(ii) Preference	NIL
(b) Debentures & Bonds		878.46
(c) Units of Mutual Funds		100.00
(d) Government Securities		NIL
(e) Other (PMS)		1298.19
(II) Unquoted		
(a) Shares :	(i) Equity	208.86
	(ii) Preference	NIL
(b) Debentures & Bonds		NIL
(c) Units of Mutual Funds		NIL
(d) Government Securities		NIL
(e) Other (please specify)		NIL

**5. Borrower group-wise classification of assets financed as in (2) and (3) above:**

Category	₹ In Lacs		
	Amount net of Provision		
	Secured	Unsecured	Total
1. Related Parties			
(a) Subsidiaries	NIL	NIL	NIL
(b) Companies in the same group	NIL	NIL	NIL
(c) Other Related Parties	748.00	NIL	748.00
2. Other than Related Parties	167.07	3.89	167.07

**6. Investor group-wise classification of all Investments (current and long term) in shares and Securities (both Quoted and Unquoted) :**

Category	Market Value / Break Up or fair Value or NAV	Book Value (Net of Provisions)
1. Related Parties		
(a) Subsidiaries	208.86	208.86
(b) Companies in the same group	NIL	NIL
(c) Other Related Parties	748.00	748.00
2. Other than Related Parties	2,937.23	2,873.84

**RSD FINANCE LIMITED**  
**Notes forming Integral part of the Financial Statements**

**7. Other Information:**

<b>Particulars</b>	<b>Amount</b>
(I) Gross Non-Performing Assets	NIL
(a) Related Parties	NIL
(b) Other than Related Parties	NIL
(II) Net Non-Performing Assets	NIL
(a) Related Parties	NIL
(b) Other than Related Parties	NIL
(III) Assets acquired in satisfaction of debt.	NIL

**Note # 29**

Previous year's figure have been regrouped/reclassified / re-arranged wherever necessary to correspond with the current year's classification/disclosure.

**As per our report of even date attached**

**Manisha Gupta**  
**Chartered Accountant**  
**(Registration No. 017879C)**

**For and on behalf of the Board of  
Directors of RSD Finance Limited**

Sd/-

Sd/-

Sd/-

**Rajeev Singh Dugal**  
**Managing Director**  
**DIN No - 00052037**

**Upneet Dugal**  
**Director**  
**DIN - 07680726**

**(Manisha Gupta)**  
**Proprietor**  
**M.No 066230**

Sd/-

Sd/-

**Place: Jamshedpur**  
**Dated: The 30th day of May, 2017**

**Rechan Chhabra**  
**Chief Financial Officer**

**Puja Choudhary**  
**Company Secretary**

*Consolidated  
Financial  
Statements*



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

### REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

We have audited the accompanying consolidated financial statement of RSD Finance Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding company and its Subsidiaries together referred to as "Group", comprising of the consolidated Balance Sheet as at March 31, 2017, the consolidated Profit and Loss Statement, the consolidated Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements")

### MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

### AUDITOR'S RESPONSIBILITY

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

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are

required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

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

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

### OPINION

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Company as at March 31, 2017 and its consolidated profit and its consolidated cash flows for the year ended on that date.

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## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

b) In our opinion, proper books of accounts as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.

c) The consolidated Balance Sheet, consolidated the Profit and Loss Statement, and the consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account.

d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

e) On the basis of the written representation received from the directors of the Holding Company as on March 31, 2017, taken on record by the Board of directors, none of the directors is disqualified as on March 31, 2017, from being appointed as a director in terms of section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in 'Annexure A'; and

g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies(Audit & Auditors) Rules,2014, in our

opinion and to the best of our information and according to the explanations given to us:

- i. The Company does not have any pending litigation which would impact on its financial position as on 31<sup>st</sup> March 2017.
- ii. The company did not have any material foreseeable losses on long -term contracts including derivative contracts.
- iii. The provision related to Investor Education and Protection Fund is not applicable to the Company.
- iv. The Company has provided requisite disclosures in the Financial Statements as regards its holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated November 8, 2016 of the Ministry of Finance, during the period from November 8, 2016 to December 30, 2016. Based on audit procedure performed and the representations provided to us by the management we report that the disclosures are in accordance with the books of account maintained by the Company and as produced to us by the Management.

**For Manisha Gupta & Associates**  
**Chartered Accountants**  
(FRN – 017879C)

Sd/-

**(Manisha Gupta)**  
**Proprietor**  
**M. No. -066230**

**Date: The 30<sup>th</sup> day of May, 2017**  
**Place: Jamshedpur**

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## **Annexure A to the Auditors' Report**

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

We have audited the internal financial controls over financial reporting of **RSD Finance Limited** (hereinafter referred to as "the Holding Company") as of 31 March 2017 in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date.

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

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

### **Auditors' Responsibility**

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

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

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

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

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

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

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

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degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over

Financial Reporting issued by the Institute of Chartered Accountants of India.

**For Manisha Gupta & Associates  
Chartered Accountants  
(FRN – 017879C)**

**Sd/-**

**(Manisha Gupta)  
Proprietor  
M. No. -066230**

**Place: Jamshedpur  
Date: The 30th Day of May, 2017**

**RSD Finance Limited**  
**Consolidated Balance Sheet as at 31st March, 2017**

			Amount in ₹
Particulars	Note No.	As at 31st March, 2017	As at 31st March, 2016
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholder's Funds</b>			
(a) Share Capital	3	64,732,400	64,732,400
(b) Reserves and Surplus	4	1,159,243,557	1,066,365,771
<b>(2) Minority Interest</b>		149,575,927	140,689,583
<b>(3) Non-Current Liabilities</b>			
(a) Long-Term Borrowings	5	144,307,395	136,032,505
(b) Deferred Tax Liability (Net)	6	5,361,600	1,261,657
<b>(4) Current Liabilities</b>			
(a) Short-Term Borrowings	7	79,417,068	97,342,453
(b) Trade Payables	8	16,216,857	20,835,261
(c) Other Current Liabilities	9	43,283,714	51,184,873
(d) Short-Term Provisions	10	35,559,067	35,706,650
<b>TOTAL</b>		<b>1,697,697,584</b>	<b>1,614,151,153</b>
<b>II. ASSETS</b>			
<b>(1) Non-Current Assets</b>			
(a) Fixed Assets	11		
(i) Tangible Assets		269,825,639	286,311,105
(ii) Capital WIP		238,432,007	-
(iii) Intangible Assets		186,138	372,276
(b) Non-Current Investments	12	696,751,034	800,874,015
(c) Long-Term Loans and Advances	13	20,720,822	133,957,093
<b>(2) Current Assets</b>			
(a) Current Investment	14	266,729,144	260,911,645
(b) Inventories	15	12,582,772	16,097,352
(c) Trade Receivables	16	7,200,437	9,929,873
(d) Cash and Cash Equivalents	17	30,612,043	61,807,482
(e) Short-Term Loans and Advances	18	154,657,547	43,890,311
<b>TOTAL</b>		<b>1,697,697,584</b>	<b>1,614,151,153</b>

See accompanying notes to the financial statements

As per our report of even date attached

For Manisha Gupta & Associates  
Chartered Accountants  
(FRN No. 017879C)

For and on behalf of the Board of Directors of RSD  
Finance Limited

Sd/-

Sd/-

Sd/-

Rajeev Singh Dugal  
Managing Director  
DIN No - 00052037

Upneet Dugal  
Director  
DIN No - 07680726

(Manisha Gupta)  
Proprietor  
Membership No.066230

Sd/-

Sd/-

Place : Jamshedpur  
Dated: The 30th day of May, 2017

Rechan Chhabra  
Chief Financial officer

Puja Choudhary  
Company Secretary

**RSD Finance Limited**

**Consolidated Profit & Loss Statement for the year ended 31st March, 2017**

Amount in ₹

Particulars	Note No.	Year Ended 31st March, 2017	Year Ended 31st March, 2016
I. Revenue from Operations	19	391,828,138	406,188,760
II. Other Incomes	20	37,289,489	57,600,560
<b>III. Total Revenue (I + II)</b>		<b>429,117,627</b>	<b>463,789,320</b>
IV. Expenses:			
Cost of Material Consumed	21	128,311,845	144,391,863
Cost of Store Consumed	22	4,415,536	6,419,713
Change In Inventories of Finished Goods & Work In Progress	23	252,167	79,689
Employee Benefit Expenses	24	34,516,470	37,756,189
Finance Cost	25	8,123,106	12,075,475
Depreciation and Amortization Expenses	26	29,954,409	32,093,087
Other Expenses	27	86,786,886	94,949,881
Total Expenses		<b>292,360,419</b>	<b>327,765,897</b>
V Profit before Tax (III - IV)		136,757,207	136,023,423
VI Tax Expense:			
(1) Current tax		26,179,435	26,307,850
(2) Deferred Tax		4,099,942	4,163,371
VII Profit/ (Loss) for the Period (V - VI)		106,477,831	105,552,202
VIII Share of Profit/(Loss) attributable to Minority Interest		6,386,344	5,874,394
IX Profit For the Year		100,091,487	99,677,808

**See accompanying notes to the financial statements**

**As per our report of even date attached**

**For Manisha Gupta & Associates  
Chartered Accountants  
(FRN No. 017879C)**

**For and on behalf of the Board of Directors  
of RSD Finance Limited**

Sd/-

Sd/-

Sd/-

**Rajeev Singh Dugal  
Managing Director  
DIN No - 00052037**

**Upneet Dugal  
Director  
DIN No - 07680726**

**(Manisha Gupta)  
Proprietor  
Membership No.066230**

Sd/-

Sd/-

**Place : Jamshedpur  
Dated: The 30th day of May, 2017**

**Rechan Chhabra  
Chief Financial officer**

**Puja Choudhary  
Company Secretary**

**RSD FINANCE LIMITED**

**Consolidated Cash Flow Statement for the period ended 31st March, 2017**

	Current Year		Previous Year	
	Amount (₹)	Amount (₹)	Amount (₹)	Amount (₹)
<b>A Cash Flow From Operating Activities</b>				
Net Profit before Tax		136,757,207		136,023,423
Depreciation		29,954,409		32,093,087
Less : Adjustment for		166,711,616		168,116,510
Profit on Sale of Investment	16,802,260		36,923,035	
Dividend Received	16,313,475		17,555,042	
Interest Income	124,143,345	157,259,080	118,981,357	173,459,434
Operating Profit before Working Capital Changes		9,452,536		(5,342,924)
Adjustments for:-				
Current Assets				
Inventories	3,514,580		(3,742,868)	
Trade Receivables	2,729,437		(1,635,040)	
Short-Term Loans and Advances	(110,767,236)		(15,360,235)	
Other Current Assets	(5,817,499)		5,381,754	
Short Term Borrowings	(17,925,385)		85,147,822	
Trade Payables	(4,618,404)		357,848	
Other Current Liabilities	(7,901,159)		29,720,189	
Short Term Provisions	(6,850,161)	(147,635,828)	28,317,003	128,186,473
Net cash generated from operating activities		(138,183,291)		122,843,549
Tax Paid/Provided		26,690,558		11,584,325
<b>Net cash generated from operation [A]</b>		<b>(164,873,850)</b>		<b>111,259,224</b>
<b>B Cash Flow From Investing Activities</b>				
Profit on sale of Shares	16,802,260		36,923,035	
(Purchase)/Sale of Investments	104,122,981		(77,649,515)	
Loans & Advances	113,236,271		(126,682,106)	
Dividend Received	16,313,475		17,555,042	
Interest Received	124,143,345		118,981,357	
Purchase of Fixed Assets /Additions due to conso	(251,714,812)		(287,833,385)	
<b>Net cash from investing activities [B]</b>		<b>122,903,519</b>		<b>(318,705,572)</b>
<b>C Cash Flow From Financing Activities</b>				
Adj in Reserves due to Consolidation	(6,386,344)		89,786,739	
Increase in Minority Interest	8,886,344		140,689,583	
Proceeds from long term borrowings	8,274,890		29,544,466	
<b>Net cash from financing activities [C]</b>		<b>10,774,891</b>		<b>260,020,788</b>
Net Increase/(Decrease) in Cash & Cash equivalents [A+B+C]		(31,195,439)		52,574,441
<b>Cash &amp; Cash equivalents (Opening balance)</b>		<b>61,807,482</b>		<b>9,233,041</b>
<b>Cash &amp; Cash equivalents (Closing balance)</b>		<b>30,612,043</b>		<b>61,807,482</b>

For Manisha Gupta & Associates

Chartered Accountants

FRN No. 017879C)

Sd/-

(Manisha Gupta)

Proprietor

Membership No.066230

Place : Jamshedpur

Dated: The 30th day of May, 2017

For and on behalf of the Board of Directors of  
RSD Finance Limited

Sd/-

Rajeev Singh Dugal

Managing Director

DIN No - 00052037

Sd/-

Rechan Chhabra  
Chief Financial Officer

Sd/-

Upneet Dugal

Director

DIN No - 07680726

Sd/-

Puja Choudhary  
Company Secretary

**RSD Finance Limited**  
**Notes forming Integral part of the Consolidated Financial Statements**

**Note# 1**

**Corporate Information**

The Company is duly incorporated under the provisions of Companies Act 1956 as a Public Limited Company. The company also holds the status of Non Banking Finance Company under the provisions of RBI and engaged in the business of Non Banking Financing Activities.

**Note# 2**

**Summary of Significant Accounting Policies**

**2.0. Principles of Consolidation:**

The Consolidated Financial statements consists of RSD Finance Limited(" the Company") and its subsidiary company (collectively referred to as "the Group"). The consolidated financial statements have been prepared on the following basis:

- The financial statements of the company and its subsidiary company have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in unrealised profits or losses as per accounting standard 21- " Consolidated financial statements" notified by companys( accounting standards) Rules,2006.
- The financial statements of the subsidiary used in the conslidation are drawn up to the same reporting date as that of the company i.e 31st march, 2017.

The List of Subsidiary Compnay which is included in the consolidation and the Group Holdings therein are as

Name of the Company		Precision Automotive Pvt Ltd	SRP OIL Pvt Ltd	Sigma HTS LLP
<b>Ownership in %</b>	2016-17	100	52.55	65
	2015-16	100	52.55	NIL
<b>Country of</b>		India	India	India

**2.1. Accounting Policies:**

The financial statements have been prepared and presented under the historical cost convention on the accrual basis of accounting following generally accepted accounting principles in India (GAAP) and comply with the Accounting Standards issued by the Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 2013, to the extent applicable. and directions prescribed by the Reserve Bank of India.The financial statements are presented in Indian rupees.

**2.2. Revenue Recognition:**

Income and expenditure are accounted for on accrual basis, wherever ascertainable.  
 Dividend are recognised only when the right to receive is established  
 Interest Income is recognised as and when they become accrued.

**2.3. Fixed Assets:**

Fixed assets are carried at cost of acquisition or construction less accumulated depreciation. The cost of fixed assets comprises of purchase price and all other attributable costs of bringing the assets to working condition for intended use. The WDV of those assets whose useful life has expired as per the provision of Schedule-II to the Companies Act 2013 has been charged off to Reserve and Surplus available.

**2.4. Depreciation:**

On fixed assets, depreciation is provided on written down Value method. The rates of depreciation prescribed in Schedule II to the Companies Act, 2013, are considered as minimum rates.  
 Leasehold Land is not depreciated or amortized.

**2.5. Investment:**

Investments are accounted for as per accounting standard-13 issued by ICAI and duly notified by by the Central Government  
 Long Term Investments are stated at cost of acquisition untill there is a permanent dimuntion in the value of the investment.

**2.6. Retirement Benefits:**

Contribution to Provident Fund is made at prescribed rates and charged to the Profit & Loss Account. Leave Encashment is accounted for in the year in which option of encashment is exercised by the employee.



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**RSD Finance Limited**  
**Notes forming Integral part of the Consolidated Financial Statements**

**2.7. Contingent Liabilities:**

Contingent liability is a possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the enterprise, or is a present obligation that arises from past events but is not recognised because either it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or a reliable estimate of the amount of the obligation cannot be made.

**2.8. Foreign exchange transactions**

The Company during the year did not have foreign exchange transaction.

- 2.9.** No provision has been made in respect of accrued gratuity liability and leave encashment benefit as on 31/03/2017 and these will be accounted for on cash basis.

**2.10. Taxation**

Income tax expense comprises current tax (i.e. amount of tax for the period determined in accordance with Income Tax Act, 1961) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period). The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only if there is a virtual certainty of realization of such assets. Deferred tax assets are reviewed as at each balance sheet date and written down or written up to reflect the amount that is reasonably / virtually certain (as the case may be) to be realised.

- 2.11.** The Company has not accepted any Public Deposits during the year under review and the Board of Directors have passed resolution to the effect that the Company has neither accepted Public Deposit nor would accept any public Deposit during the year.
- 2.12.** Borrowing Cost that are directly attributable to the acquisition/ construction of the qualifying asset are capitalised until the time all the substantial activities necessary to prepare such assets for the intended use are complete. All other borrowing costs are recognised as expenditure during the period in which they are incurred.

**RSD Finance Limited**  
**Notes forming Integral part of Consolidated Financial Statements**

Particulars	As at 31st March, 2017	As at 31st March, 2016		
<b>NOTE # 3</b>				
<b>Share Capital</b>				
<b>Authorised Capital</b>				
6,500,000 Equity Shares of ₹ 10/- each (P.Y. 6,500,000 Equity Shares of ₹ 10/- each)	<b>65,000,000</b>	<b>65,000,000</b>		
<b>Issued, Subscribed and Paid up</b>				
6,473,240 Equity Shares of ₹ 10/- each (P.Y. 6,473,240 Equity Shares of ₹ 10/- each)	64,732,400	64,732,400		
	<b>64,732,400</b>	<b>64,732,400</b>		
<b>NOTE # 3(a)</b>				
<b>Reconciliation of the number of shares at the beginning &amp; end of the Reporting Period.</b>				
Number of shares at the beginning of the year	6,473,240	6,473,240		
Addition during the year	-	-		
Number of shares at the end of the year	<b>6,473,240</b>	<b>6,473,240</b>		
<b>NOTE # 3(b)</b>				
<b>Shares held by each shareholder holding more than 5% shares, specifying the number of shares held.</b>				
<b>Name of the Shareholder</b>	<b>No of shares</b>	<b>%</b>	<b>No of shares</b>	<b>%</b>
Rajeev Singh Dugal	4,044,540	62.48%	4,044,540	62.48%
K U Benefit Trust	791,000	12.22%	791,000	12.22%
<b>NOTE # 3(c)</b>				
<b>Rights, preferences and restrictions attached to shares</b>				
The company has one class of equity shares having a par value of ₹10 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.				
<b>NOTE # 4</b>				
<b>Reserves and Surplus</b>				
<b>(a) Capital Reserve</b>				
As per last Balance Sheet	128,756,063		236,775	
Addition during the year	-		128,519,288	
	<b>128,756,063</b>		<b>128,756,063</b>	
<b>(b) Statutory Reserve</b>				
As per last Balance Sheet	54,679,397		49,472,659	
Addition during the year	8,534,016		5,206,738	
	<b>63,213,412</b>		<b>54,679,397</b>	
<b>(c) Surplus (Profit &amp; Loss Account)</b>				
As per last Balance Sheet	336,097,390		248,176,625	
Addition during the year	100,091,487		99,677,808	
Less: P/L Appropriation	383,170		(280,226)	
Less: Proposed Dividend including DDT	6,830,531		6,830,531	
Less: Transfer to Statutory Reserve	8,534,016		5,206,738	
	<b>420,441,160</b>		<b>336,097,390</b>	
<b>(d) General Reserve</b>				
As per last Balance Sheet	546,832,921		546,832,921	
Add: Addition during the year	-		-	
	<b>546,832,921</b>		<b>546,832,921</b>	
	<b>1,159,243,557</b>		<b>1,066,365,771</b>	

**RSD Finance Limited**  
**Notes forming Integral part of Consolidated Financial Statements**

Particulars	As at 31st March, 2017	As at 31st March, 2016
<b>NOTE # 5</b>		
<b>Long-Term Borrowings</b>		
<b>68,00,000 8% Cumulative Non convertible</b>		
<b>Preference Share of Rs. 10/- each.</b>	-	68,000,000
<b>Secured Loan</b>		
Vehicle Loan from HDFC Bank(Honda Amaze)	-	259,368
Vehicle Loan from Axis Bank(Fortuner)	-	511,381
Loan from Kotak Mahindra Investment Limited	-	33,000,000
Term Loan From AXIS Bank Ltd	115,392,051	18,045,755
Term Loan From IDBI Bank Ltd	13,250,000	-
<b>Unsecured Loan</b>	15,665,344	16,216,001
	<b>144,307,395</b>	<b>136,032,505</b>

v) Term Loans from Axis Bank are secured by exclusive hypothecation charge on stock, book debts and all other current assets present and future, exclusive hypothecation charge on entire movable assets present & future, equitable mortgage of leasehold land admeasuring area around 0.88 acres located at Ramdas Bhatta Area, Bistupur, Jamshedpur along with building of "Hotel The Alcor" & admeasuring area around 8.09 acres located at Mouza-Tiruldih, Khata No-62, Plot No-2, Saraikela Thana No. 148, Jharkhand in the name of "SIGMA HTS LLP".

- a. Term Loan having a limit of Rs. 100 Lacs, repayable in 96 monthly installments commenced from Mar'2016.  
b. Term Loan having a limit of Rs. 1450 Lacs, repayable in 120 monthly installments commenced from Dec'2018.

v) Term Loans from IDBI Bank are secured by exclusive hypothecation charge on Solar Plant located at Newai Rajasthan.

- a. Term Loan having a limit of Rs. 150 Lacs, repayable in 29 Quarterly installments commenced from Jan'2017.

**NOTE # 6**

**Deferred Tax Liability (Net)**

Deferred Tax Liability (Net)	5,361,600	1,261,657
	<b>5,361,600</b>	<b>1,261,657</b>

**NOTE # 7**

**Short-Term Borrowings**

From Banks		
Cash Credit from IDBI Bank Ltd	11,199,873	11,691,977
Cash Credit from AXIS Bank Ltd	4,365,943	4,070,998
OD From Kotak Mahindra Bank Ltd	12,306,200	30,034,426
Others	51,545,052	51,545,052
	<b>79,417,068</b>	<b>97,342,453</b>

**Cash Credit is secured by way of**

**Primary Security**

Exclusive charge by way of hypothication on entire current assets of company both present & future.

Cash Credit from Axis Bank are secured by exclusive hypothecation charge on stock, book debts and all other current assets present and future, exclusive hypothecation charge on entire movable assets present & future, equitable mortgage of leasehold land admeasuring area around 0.88 acres located at Ramdas Bhatta Area, Bistupur, Jamshedpur along with building of "Hotel OD Facility of Rs. 7.70 Crore from Kotak Mahindra Bank is secured by way pledging of ICICI FMP of Rs. 2.00 Crore & two FMP (from Birla Sun Life & Kotak Mahindra) of Rs. 6.50 Crore in the name of Mr. R.S Dugal ( Managing Director)

**Collateral Security**

Equitable mortgage of Land admeasuring an area of about 15000 sq feet and construction thereon located at adityapur. Exclusive charge by way of hypothication on entire movable fixed assets, excluding vehicles of the company hypothicated to other banks/ financial institutions both present & future.

**Personal Guarantee**

Personal guarantee of of Mr. Rajeev Sngh Dugal(Director) and Mrs. Kawaljeet Dugal.

**RSD Finance Limited**  
**Notes forming Integral part of Consolidated Financial Statements**

<b>Particulars</b>	<b>As at 31st March, 2017</b>	<b>As at 31st March, 2016</b>
<b>NOTE # 8</b>		
<b>Trades Payable</b>		
Trades Payable		
Stores	2,524,649	2,912,463
Raw Material	14,006,772	17,922,798
	<u>16,531,421</u>	<u>20,835,261</u>
Less: Inter Company Outstanding	314,564	-
	<u><b>16,216,857</b></u>	<u><b>20,835,261</b></u>
<b>NOTE # 9</b>		
<b>Other Current Liabilities</b>		
Current Maturities of Long-Term Debt	3,159,381	19,814,331
Advance Received Against Investment	-	6,189,520
Creditors	31,764,120	18,002,073
Government Liabilities	898,937	479,158
Accrued Salary & Wages	2,757,077	1,996,424
Bonus Payable	-	108,022
Earn Leave Payable	-	4,922
Interest Earned but not Accrued	2,496,575	2,496,575
Audit Fees Payable	231,750	339,550
TDS Payable	454,586	598,974
Other Payable	1,386,798	1,100,288
EPF/ESIC Payable	134,490	55,036
	<u><b>43,283,714</b></u>	<u><b>51,184,873</b></u>
<b>NOTE # 10</b>		
<b>Short-Term Provisions</b>		
Provision for Gratuity	549,101	568,731
Others	2,000,000	2,000,000
Provision for Dividend Distribution Tax	1,390,531	1,390,531
Provision for Dividend	5,440,000	5,440,000
Provision for Tax	26,179,435	26,307,388
	<u><b>35,559,067</b></u>	<u><b>35,706,650</b></u>

RSD Finance Limited  
Notes Forming Part of Consolidated Financial Statement

NOTE # 11

Tangible Assets as on 31st March 2017

S.NO	PARTICULARS	GROSS BLOCK				DEPRECIATION BLOCK				NET BLOCK	
		COST AS ON 01.04.2016	ADDITIONS DURING THE YEAR	SALE / DISPOSAL DURING THE YEAR	TOTAL AS ON 31.03.2017	UPTO 01.04.2016	ADDITIONS DURING THE YEAR	SALE / DISPOSAL DURING THE YEAR	UPTO 31.03.2017	NET CARRYING AMOUNT AS ON 31.03.2017	NET CARRYING AMOUNT AS ON 31.03.2016
	<b>Tangible Assets</b>										
1	Land	34,702,801	-	-	34,702,801	-	-	-	-	34,702,801	34,702,801
2	Building	180,840,148	6,697,989	-	187,538,136	37,347,236	7,250,762	-	44,597,997	142,940,139	143,492,912
3	Plant & Machinery	101,938,906	4,432,055	-	106,370,961	55,166,110	9,116,751	-	64,282,861	42,088,100	46,772,795
4	Furniture & Fixtures	40,321,845	1,204,084	-	41,525,929	27,960,834	4,270,476	-	32,231,310	9,294,619	12,361,011
5	Vehicles	8,277,659	988,159	-	9,265,818	5,948,316	856,996	-	6,805,312	2,460,506	2,329,343
6	Office Equipment	2,709,096	-	-	2,709,096	2,331,890	208,262	-	2,540,152	168,944	377,206
7	Electrical Installation	28,079,194	10,830	-	28,090,024	17,927,084	2,892,548	-	20,819,632	7,270,392	10,152,110
8	Computers	7,087,611	501,497	-	7,589,108	5,592,102	637,508	-	6,229,610	1,359,498	1,495,509
9	Airconditioners	246,471	-	-	246,471	119,220	22,661	-	141,882	104,589	127,251
10	Generators Set	304,562	-	-	304,562	302,562	0	-	302,562	2,000	2,000
11	Xerox Machine	121,436	-	-	121,436	121,435	-	-	121,435	1	1
12	Printer	7,000	-	-	7,000	6,650	-	-	6,650	350	350
13	Refrigerator	33,000	-	-	33,000	12,364	3,647	-	16,011	16,989	20,636
14	Telephone & Mobile	29,750	-	-	29,750	10,993	3,192	-	14,185	15,565	18,757
15	Solar Power Plant	34,300,000	-	-	34,300,000	837,426	4,259,967	-	5,097,393	29,202,607	33,462,574
16	LCD Television	3,273,185	-	-	3,273,185	2,829,143	245,501	-	3,074,644	198,541	444,042
	<b>Sub Total (A)</b>	<b>442,272,661</b>	<b>13,834,614</b>	<b>-</b>	<b>456,107,275</b>	<b>156,513,365</b>	<b>29,768,274</b>	<b>-</b>	<b>186,281,636</b>	<b>269,825,639</b>	<b>285,759,295</b>
	<b>Capital WIP</b>										
	Building	551,810	239,675,885	1,795,688	238,432,007	-	-	-	-	238,432,007	551,810
	<b>Sub Total (B)</b>	<b>551,810</b>	<b>239,675,885</b>	<b>1,795,688</b>	<b>238,432,007</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>238,432,007</b>	<b>551,810</b>
	<b>Intangible Assets</b>										
	ROC Fees	899,470	-	-	899,470	539,682	179,894	-	719,576	179,894	359,788
	Copyright	60,674	-	-	60,674	48,186	6,244	-	54,430	6,244	12,488
	<b>Sub Total (C)</b>	<b>960,144</b>	<b>-</b>	<b>-</b>	<b>960,144</b>	<b>587,868</b>	<b>186,138</b>	<b>-</b>	<b>774,006</b>	<b>186,138</b>	<b>372,276</b>
	<b>TOTAL (A+B+C)</b>	<b>443,784,615</b>	<b>253,510,498</b>	<b>1,795,688</b>	<b>695,499,426</b>	<b>157,101,233</b>	<b>29,954,412</b>	<b>-</b>	<b>187,055,642</b>	<b>508,443,784</b>	<b>286,683,381</b>
	<b>Previous Year</b>	<b>404,261,771</b>	<b>39,591,086</b>	<b>68,242</b>	<b>443,784,615</b>	<b>125,056,141</b>	<b>32,093,087</b>	<b>47,992</b>	<b>157,101,236</b>	<b>286,683,379</b>	<b>279,205,630</b>

**RSD Finance Limited**  
**Notes forming Integral part of Consolidated Financial Statements**

Particulars	As at 31st March, 2017	As at 31st March, 2016
<b>NOTE # 12</b>		
<b>Non-Current Investments</b>		
<b>Investments in Property</b>	6,616,775	6,616,775
	<b>6,616,775</b>	<b>6,616,775</b>
<b>Investments in Equity Instruments</b>		
<b>(a) Equity Shares (Quoted)</b>		
Sanara Media Limited	309,681	309,681
Lord Chlora Alkali Limited	1,100,000	1,100,000
	<b>1,409,681</b>	<b>1,409,681</b>
<b>(b) Shares (Unquoted)</b>		
Investment in Equity Shares	16,229,000	36,723,400
Investment in Preference Shares	9,444,400	-
	<b>25,673,400</b>	<b>36,723,400</b>
<b>(c) Investments in Mutual Funds</b>		
Reliance Capital Builder Fund	10,000,000	10,000,000
	<b>10,000,000</b>	<b>10,000,000</b>
<b>(d) Investments in Bonds</b>		
HUDCO Tax Free Bonds	25,000,000	25,000,000
	<b>25,000,000</b>	<b>25,000,000</b>
<b>(e) Investments in NCD/ICD/PMS</b>		
Inesh Realtors Pvt Ltd	-	43,950,375
NCD with Akshya	-	16,654,399
NCD with Ansal Hi Tech Township	234,389,847	150,000,000
NCD with Rajesh Builder	-	60,000,000
IDFC Real Estate Fund	14,740,763	19,053,534
F & O Margin with Kotak	-	612,106
Vasathi NCD	38,333,333	40,000,000
NCD with Indiabulls Real Estate Fund	19,566,180	19,791,360
NCD with Krishna Enterprises( H & I) India Pvt Ltd	-	10,000,000
Indostar Credit Fund	5,813,006	6,600,000
Krishna Enterprises( H & I) India Pvt Ltd	-	12,000,000
Ansal Hi-tech Township Ltd.	-	60,000,000
Umang Realtech Pvt Ltd.	-	6,910,386
Zodius Technology Fund	28,510,236	17,010,235
Quest Investment Advisors Pvt Ltd	13,819,497	12,532,705
Unifi Capital Private Limited	7,288,779	6,430,998
Ambit Alpha Fund	-	10,000,000
Forefront Alternative Investment Fund	-	15,000,000
PMS with ASK	-	405,722
PMS with ICICI	155,639,099	204,172,339
Elvera Realtor Pvt Ltd	70,000,000	-
Excel Dwellings India Private Limited	20,000,000	-
India Bulls High Yield Fund	4,950,438	-
DSP Blackrock Enhance Equity Fund	15,000,000	-
	<b>628,051,178</b>	<b>711,124,159</b>
<b>(f) Investments in Partnership Firm</b>		
Investment in SIGMA HTS LLP	-	10,000,000
	<b>-</b>	<b>10,000,000</b>
	<b>696,751,034</b>	<b>800,874,015</b>

**RSD Finance Limited**  
**Notes forming Integral part of Consolidated Financial Statements**

Particulars	As at 31st March, 2017	As at 31st March, 2016
<b>NOTE # 13</b>		
<b>Long-Term Loans and Advances</b>		
<i>Secured</i>		
<b>Corporate Loan</b>		
ALM Infotech	15,000,000	15,000,000
Santosh Trust	1,706,752	50,000,000
ETL	-	67,734,863
<i>Unsecured, Considered Good</i>		
(a) Capital Advances	-	(11,131)
(b) Security Deposit	3,974,640	1,038,338
(c) Other Loans & Advance	39,430	195,023
	<b>20,720,822</b>	<b>133,957,093</b>
<b>NOTE # 14</b>		
<b>Current Investments</b>		
<b>Investments in Equity Instruments</b>		
<b>(a) Equity Shares (Quoted)</b>	34,357,953	37,514,609
	<b>34,357,953</b>	<b>37,514,609</b>
<b>(b) Investments in Mutual Funds</b>		
Birla Sunlife Cash Plus-Growth	-	1,202,920
Birla Sunlife Emerging Leader Fund	1,000,000	1,000,000
Birla Sunlife Top 100 Fund	15,515,909	15,515,909
ICICI FMP Series 75-1246 Days	20,000,000	20,000,000
ICICI Prudential Value Series-4	1,000,000	1,000,000
IDFC All Season Bond Fund- TP DP-Growth	-	20,000,000
IDFC Dynamic Bond Fund DR	500,000	500,000
IDFC G. Security Fund	-	1,022,000
IDFC Sterling Equity Fund	2,500,000	2,500,000
IDFC-GSF-IP Growth DP	-	1,089,085
IDFC-Money Manager Fund	13,525,000	24,192,335
IDFC Monthly Income Plan	25,706,397	13,112,447
IDFC Premier Equity Fund	380,000	190,000
IDFC All Seasons Bond Fund	25,000,000	-
IDFC Balance Fund	2,385,000	-
IDFC Classic Equity Fund	1,597,000	-
IDFC Corporate Bond Fund	26,239,495	-
Kotak India Growth Series - I	20,000,000	20,000,000
Kotak Floater	-	5,034,630
Kotak Select Focus Fund Regular Plan Growth	11,244,990	11,244,990
Kotak Treasury Advantage Fund Growth	1,056,931	6,160,707
Kotak Short Term Daily Dividend	222,426	-
MOST Focused Midcap Fund - 30	-	1,000,000
MOST Focused Multicap Fund - 35	4,000,000	4,000,000
Reliance Liquid Fund	30,281,624	10,569,344
Reliance Monthly Interval Fund	-	20,000,000
Reliance Short Term Fund	27,486,531	-
SBI Treasury Advancetage Fund	-	34,300,000
Sundaram Growth Fund Regular Plan	-	9,762,669
TATA Short Term Bond Fund	2,729,889	-
	<b>232,371,191</b>	<b>223,397,036</b>
	<b>266,729,144</b>	<b>260,911,645</b>

**RSD Finance Limited**  
**Notes forming Integral part of Consolidated Financial Statements**

<b>Particulars</b>	<b>As at 31st March, 2017</b>	<b>As at 31st March, 2016</b>
<b>NOTE # 15</b>		
<b>Inventories</b>		
Raw Material	11,536,181	16,097,352
Stores & Spares	1,046,591	-
	<b>12,582,772</b>	<b>16,097,352</b>
<b>NOTE # 16</b>		
<b>Trade Receivables</b>		
<i>Unsecured, Considered Good</i>		
- Outstanding for a period exceeding six months	1,423,295	-
- Others	6,091,705	9,929,874
	7,515,000	9,929,874
Less: Inter Company Outstanding	314,564	-
	<b>7,200,437</b>	<b>9,929,874</b>
<b>NOTE # 17</b>		
<b>Cash and Cash Equivalents</b>		
<b>Balance with Banks</b>		
Current Account	29,816,489	60,913,687
Deposit Account		
- Margin Money deposits against Bank Guarantee	-	65,579
-Others	97,948	89,103
<b>Cash in Hand</b>	697,607	739,113
<i>(as per cash book and duly certified by the management)</i>	<b>30,612,043</b>	<b>61,807,482</b>
<b>NOTE # 18</b>		
<b>Short-Term Loans and Advances</b>		
<i>Unsecured, considered good</i>		
Loans and advances to Related Parties		
Advance to staff	166,104	380,103
Advance for Expenses	710,137	803,430
Kotak Securities	(3,352)	(265,341)
Other Advances	106,047,871	8,120,965
Balance with Revenue Authorities	47,736,787	34,851,154
	<b>154,657,547</b>	<b>43,890,311</b>



**RSD Finance Limited**  
**Notes forming Integral part of the Consolidated Financial Statements**

Particulars	Year Ended 31st March, 2017	Amount (₹) Year Ended 31st March, 2016
<b>NOTE # 19</b>		
<b>Revenue From Operations</b>		
Sale of Finished Goods	134,189,784	160,321,703
Less: Excise Duty	14,923,968	17,815,369
<b>Total [A]</b>	<b>119,265,816</b>	<b>142,506,334</b>
Discount Received	2,393,267	3,073,474
Job Work & Sale of Services	148,493,797	141,627,595
	<b>150,887,064</b>	<b>144,701,069</b>
Less : Inter Company Transaction	2,468,088	-
<b>Total [B]</b>	<b>148,418,976</b>	<b>144,701,069</b>
Interest Income	124,143,345	118,981,357
<b>Total [A+B]</b>	<b>391,828,138</b>	<b>406,188,760</b>
<b>NOTE # 20</b>		
<b>Other Incomes</b>		
Other Incomes	4,173,754	3,122,483
Net Gain on sale of Investments	16,802,260	36,923,035
Dividend Income	16,313,475	17,555,042
	<b>37,289,489</b>	<b>57,600,560</b>
<b>NOTE # 21</b>		
<b>Cost of Material Consumed</b>		
Opening Stock of Material	14,721,224	17,174,613
Add: Material Purchase	127,594,890	141,938,474
Less: Closing Stock of Material	11,536,181	14,721,224
Raw Material Consumed (Op + Pur - Cl)	130,779,933	144,391,863
Less : Inter Company Transaction	2,468,088	-
	<b>128,311,845</b>	<b>144,391,863</b>
<b>NOTE # 22</b>		
<b>Cost of Store Consumed</b>		
Opening Stock of Store	1,123,961	1,183,292
Add: Store Purchase	4,338,166	6,360,382
Less: Closing Stock of Store	1,046,591	1,123,961
Store Consumed (Op + Pur - Cl)	4,415,536	6,419,713
	<b>4,415,536</b>	<b>6,419,713</b>

**RSD Finance Limited**  
**Notes forming Integral part of the Consolidated Financial Statements**

Particulars	Year Ended 31st March, 2017	Amount (₹) Year Ended 31st March, 2016
<b>NOTE # 23</b>		
<b>Change in Inventories</b>		
<b>A) Finished Goods</b>		
Add: Opening Stock	-	-
Add: Excise Duty on Opening Stock	-	-
Less: Closing Stock	-	-
Less: Escise Duty on Cl. Stock	-	-
Total [A]	-	-
<b>A) Work-In-Progress</b>		
Add: Opening Stock	252,167	331,856
Less: Closing Stock	-	252,167
Total [B]	252,167	79,689
<b>Total [A+B]</b>	<b>252,167</b>	<b>79,689</b>
<b>NOTE # 24</b>		
<b>Employee Benefit Expenses</b>		
Salaries & Bonus Including Staff Exp	27,740,870	31,991,507
Contribution to PF and Other Funds	1,035,993	965,275
Staff & Labour Welfare Expenses	5,739,607	4,799,407
	<b>34,516,470</b>	<b>37,756,189</b>
<b>NOTE # 25</b>		
<b>Finance Costs</b>		
Interest on Cash Credit	4,645,967	7,858,737
Interest on OD	1,490,279	-
Interest on Term Loan	1,554,680	36,000
Interest on Statutory Payment	700	44,621
Interest on Unsecured Loan	262,682	249,224
Interest on Short Term Loan	57,291	3,694,097
Interest on Car Loan	111,507	192,796
	<b>8,123,106</b>	<b>12,075,475</b>
<b>NOTE # 26</b>		
<b>Depreciation &amp; Amortised Cost</b>		
Depreciation	29,954,409	32,093,087
	<b>29,954,409</b>	<b>32,093,087</b>

**RSD Finance Limited**  
**Notes forming Integral part of the Consolidated Financial Statements**

<b>Particulars</b>	<b>Year Ended 31st March, 2017</b>	<b>Amount (₹) Year Ended 31st March, 2016</b>
<b>NOTE # 27</b>		
<b>Other Expenses</b>		
Power & Fuel	16,694,166	17,822,954
Carriage Inward & Freight Charges	2,319,194	2,697,365
Repair & Maintenance	8,621,306	8,093,508
Operation & Maintenance Charges for Solar	-	84,992
Generator Hire Charges	180,000	180,000
Security Charges	4,193,091	4,203,208
Weightment Expenses	24,020	31,550
Calibration Charges	39,842	40,695
Consultancy & Retainership fees	657,559	-
Insurance Charges	1,694,309	1,647,480
Listing Fees & Annual Charges	362,002	3,285,114
Director Remuneration	1,650,000	-
Director Sitting Fees	28,000	-
Professional Fees & Expenses	6,146,703	3,771,451
Rent, Rates & Taxes	4,363,132	6,759,493
Discount Allowed	2,062,090	1,965,338
Conveyance & Travelling	1,966,094	2,172,735
Transportation, Loading & Unloading Charges	1,912,508	2,447,126
Audit fees	167,500	142,500
Printing & Stationery	360,044	372,851
Postage ,Telegram & Telephone	1,525,174	1,696,460
Bank Charges	188,345	447,173
Interest on Statutory Dues	41,210	557,769
Carriage Outwards	922,849	997,524
General Expenses	2,293,409	2,718,492
Fees & Subscription	539,111	209,208
Management and Upfront Fees	9,091,942	8,789,885
Zinc Plating	1,866,236	2,486,292
Job Offloading	11,836,028	16,584,742
Advertisement Expenses	57,505	41,497
Business Promotion Expenses	404,948	292,354
Dmat Charges	24,567	54,695
Office Maintenance	517,830	526,529
Rates Difference Charges on Earlier Year	4,036,173	3,828,901
	<b>86,786,886</b>	<b>94,949,881</b>

**RSD FINANCE LIMITED**  
**Notes forming Integral part of the Consolidated Financial Statements**

**Note# 28**

**The Subsidiary company consider in the consolidated financial statement are:**

<b>Name of the subsidiary</b>	<b>Country of Incorporation</b>	<b>Extent of Holding</b>	<b>Reporting Currency</b>	<b>Effective date of Becoming Subsidiary</b>
Precision Automotive Private Limited	India	100.00%	Indian Rupees	15.11.2013
SRP Oil Private Limited	India	52.55%	Indian Rupees	30.09.2015
Sigma HTS LLP	India	65.00%	Indian Rupees	15.03.2016

**Note# 29**

In accordance with the MCA notification G.S.R. 308(E) dated March 30, 2017 details of Specified Bank Notes (SBN) and Other Denomination Notes (ODN) held and transacted during the period from November 8, 2016 to December 30, 2016 is given below:

<b>Particulars</b>	<b>SBNs</b>	<b>ODNs</b>	<b>Total</b>
<b>Closing Cash on hand as on November 8, 2016</b>	1,106,500.00	231,424.00	1,337,924.00
(+) Non Permitted Receipts	-	-	-
(+) Permitted Receipts	-	5,123,456.00	5,123,456.00
(-) Permitted Payments	-	2,220,054.00	2,220,054.00
(-) Amount Deposited in Banks	1,106,500.00	2,689,286.00	3,795,786.00
<b>Closing Cash on hand as on December 30, 2016</b>	-	<b>445,540.00</b>	<b>445,540.00</b>

**Note# 30**

Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013

<b>Name of the entity</b>	<b>Net Assets, i.e., total assets minus total liabilities</b>		<b>Share in Profit/ Loss</b>	
	<b>As % of consolidated net assets</b>	<b>Amount (Rs. In Lakhs)</b>	<b>As % of consolidated Profit or Loss</b>	<b>Amount (Rs. In Lakhs)</b>
<b>Parent</b>				
RSD Finance Ltd	28.14%	3,865.77	40.07%	426.70
<b>Subsidiaries</b>				
a) Precision Automotive Private Limited	37.31%	5,124.21	47.20%	502.53
b) SRP Oil Private Limited	11.86%	1,628.83	6.72%	71.58
c) Sigma HTS LLP	11.80%	1,620.94	0.01%	0.10
<b>Minority interest in all subsidiaries</b>				
a) Precision Automotive Private Limited	0.00%	-	0.00%	-
b) SRP Oil Private Limited	10.71%	1,470.76	6.00%	63.86
c) Sigma HTS LLP	0.18%	25.00	0.00%	0.01
<b>Grand Total</b>	<b>100.00%</b>	<b>13,735.51</b>	<b>100.00%</b>	<b>1,064.78</b>

**Note# 31**

**Earning Per Share (EPS)**

<b>Particular</b>	<b>Current Year</b>	<b>Previious Year</b>
Net Profit after Tax	100,091,487	99,677,808
Number of Equity Share	6,473,240	6,473,240
<b>Basic EPS</b>	<b>15.46</b>	<b>15.40</b>

**Note# 32**

The Balance of Loans & Advances are subject to confirmation

**RSD FINANCE LIMITED**  
**Notes forming Integral part of the Consolidated Financial Statements**

**Note# 33**

The Company has not received information from vendors regarding their status under the Micro, small & Medium Enterprises development Act 2006 & hence disclosure relating to amount unpaid as at the year end together with interest paid/payable.

**Note# 34**

No Provision has been made in respect of leave encashment benefit as on 31.03.2017 and these will be accounted for on cash basis.

**Note# 35**

There is no Impairment assets as on 31.03.2017

**Note# 36**

Previous years figures have been Regrouped or Rearranged where ever required necessary and accounts have been rounded off to nearest Rupees.

**As per our report of even date attached**

**For and on behalf of the Board of Directors of  
RSD Finance Limited**

**For Manisha Gupta & Associates  
Chartered Accountants  
(FRN No. 017879C)**

Sd/-

Sd/-

Sd/-

**Rajeev Singh Dugal  
Managing Director  
DIN No - 00052037**

**Upneet Dugal  
Director  
DIN No - 07680726**

**(Manisha Gupta)  
Proprietor  
Membership No.066230**

Sd/-

Sd/-

**Place: Jamshedpur  
Dated: The 30th day of May, 2017**

**Rechan Chhabra  
Chief Financial officer**

**Puja Choudhary  
Company Secretary**

## RSD FINANCE LIMITED

CIN- L17222WB1963PLC025749

Regd. Office: 224 A. J. C. Bose Road, Krishna Building, 9<sup>th</sup> Floor, Room No – 902, Kolkata- 700 017

Website: [www.rsdfinancelimited.com](http://www.rsdfinancelimited.com); Email: rsdfinance.ltd@gmail.com; Ph: (033) 6900 0200/ (0657) 6515324

### ATTENDANCE SLIP

*(To be signed and handed over at the entrance of the meeting hall)*

Registered Folio / DP ID  
& Client ID :

Name and Address  
of the Shareholder :

Joint Holder(s) :

No. of Shares :

I/ We hereby record my/ our presence at the **FIFTY-FOURTH ANNUAL GENERAL MEETING** of the members of the Company held on **Friday, 08<sup>th</sup> September 2017 at 12.30 P.M.** at the Registered office of the Company at 224, AJC Bose Road, Krishna Building, 9<sup>th</sup> Floor, Room No- 902, Kolkata – 700 017

-----  
Member' Folio/DP ID- Client ID No.

-----  
Member/proxy name in Block letters

-----  
Member/ proxy's signature

Note: Please complete the Folio/ DP ID- Client ID No. and Name, sign this Attendance Slip and hand it over at the Attendance verification counter at the **ENTRANCE OF THE MEETING HALL.**

### ELECTRONIC VOTING PARTICULARS

EVEN (EVOTING EVENT NO.)	User ID	Password/PIN
106852		

Note: Members are requested to read "Note No. 19" in the Notice of the 54th Annual General Meeting, being sent herewith, in respect of the instruction for voting through electronic means. The voting period starts from 9:00 am on September 04, 2017 and ends at 5:00 pm on September 07, 2017.

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## RSD FINANCE LIMITED

CIN: L17222WB1963PLC025749

Regd. Office: 224 A. J. C. Bose Road, Krishna Building, 9th Floor, Room No – 902, Kolkata- 700 017  
Website: www.rsdfinancelimited.com; Email: rsdfinance.ltd@gmail.com; Ph: (033) 6900 0200/ (0657) 6515324

### PROXY FORM

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

Name of the Member(s) :
Registered Address :
E-mail Id :
Folio No./Client Id:
DP ID :

I/We, being the member(s) of RSD Finance Limited holding \_\_\_\_\_ shares, hereby appoint:

- 1) Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
Email Id : \_\_\_\_\_ Signature: \_\_\_\_\_,  
or failing him/ her
  
- 2) Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
Email Id : \_\_\_\_\_ Signature: \_\_\_\_\_,  
or failing him/ her
  
- 3) Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
Email Id : \_\_\_\_\_ Signature: \_\_\_\_\_,  
or failing him/ her

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the **Fifty Fourth Annual General Meeting** of the members of the Company to be held on **Friday, 08<sup>th</sup> September, 2017 at 12:30 P.M.** at the Registered office of the company at 224, A.J.C. Bose Road, Krishna Building, 9th Floor, Room No – 902, Kolkata, West Bengal-700 017 and at any adjournment thereof in respect of such resolution as are indicated below:

\*\* I wish my above proxy to vote in the manner as indicated in the box below:

Resolutions	For	Against
<b>ORDINARY BUSINESS</b>		
1. To receive, consider and adopt A) the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2017 together with the reports of the Board of Directors and Auditors thereon; and B) the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2017 together with the reports of the Auditors thereon.		
2. To resolve not to fill the vacancy for the time being in the Board, caused by the retirement of Mr. Roop Narayan Choudhary (DIN-00583184), who retires by rotation and does not seek re-appointment		
3. To appoint the Statutory Auditors and to fix their remuneration		
<b>SPECIAL BUSINESS</b>		
4. To Regularise the appointment of Ms. Upneet Dugal (DIN-07680726) as an Executive Director of the Company		
5. Approval of Related party transaction with Sigma HTS LLP		
6. To Adopt new set of Articles of Association of the Company pursuant to the Companies Act, 2013		
7. To Adopt new set of Memorandum of Association of the Company pursuant to the Companies Act, 2013		

Signed this \_\_\_\_\_ day of \_\_\_\_\_ of 2017

(Affix Revenue Stamp)

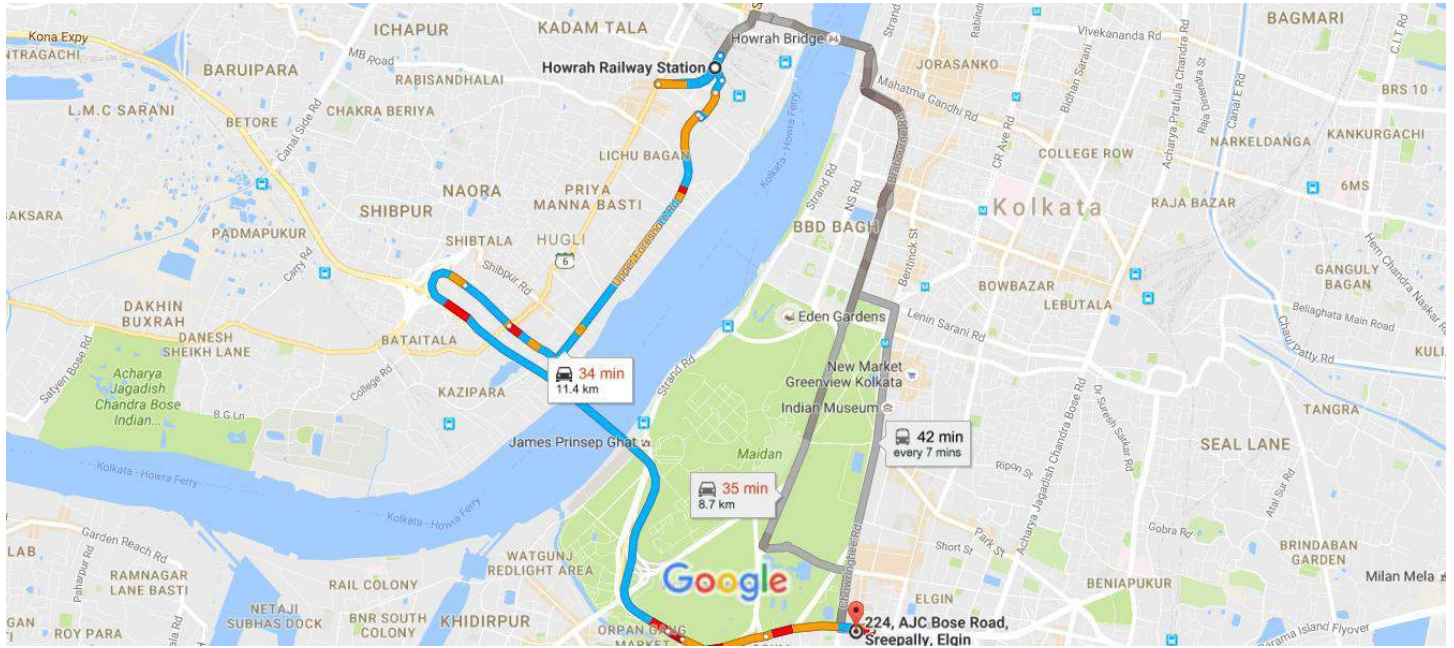
Signature of the Shareholder: \_\_\_\_\_

Note:

- 1) 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 commencement of the Meeting.
- 2) A proxy need not be a member of the Company and shall prove his identity at the time of attending the Meeting.
- 3) Appointment of a proxy does not prevent a member from attending the meeting in person if he wishes so. When a Member appoints a Proxy and both the Member and Proxy attend the Meeting, the proxy will stand automatically revoked.
- 4) This is only optional. Please put a 'V' in the appropriate column against the resolutions indicated in the box. If you leave the 'For' or 'Against' column blank against any of the resolutions, your proxy will be entitled to vote at the meeting in the manner he/she thinks appropriate.\*\*



- 
- 5) In case of Joint holders, the signature of any one holder will be sufficient but names of all the joint holders should be stated.
  - 6) Undated proxy form will not be considered valid.
  - 7) This form will be valid only if it is duly completed in all respects, properly stamped and submitted as per the applicable law. Incomplete form or form which remains unstamped or inadequately stamped or form upon which the stamps have not been cancelled will be treated as invalid.
  - 8) This form of proxy shall be signed by the appointer or his attorney duly authorized in writing, or if the appointer is a body corporate, be under its seal or be signed by an officer or an attorney duly authorized by it.
  - 9) If Company receives multiple proxies for the same holding of a member, the proxy which is dated last will be considered valid; if they are not dated or bear the same date without specific mention of time, all such multiple proxies will be treated as invalid.



Map data ©2016 Google

1 km



via Bankura - Beliator - Sonamukhi - Khandaghosh - Nischintapur Rd

34 min

21 min without traffic

11.4 km



via Bankim Setu

35 min

20 min without traffic

8.7 km



4:51 PM–5:33 PM

42 min



AC-12 / AC-12D / E-1 / S-2 / S-5

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