



**A. K. Kuchhal & Co.,**

*Company Secretaries (Peer Reviewed Firm)*

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**Form No. MR-3**

**SECRETARIAL AUDIT REPORT**

*FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> March, 2020*

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

To,

The Members,

**Dhani Loans and Services Limited**

*Formerly Known as Indiabulls Consumer Finance Limited*

**CIN U74899DL1994PLC062407**

**M-62 & 63, First Floor**

**Connaught Place, New Delhi-01**

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Dhani Loans and Services Limited (*Formerly Known as Indiabulls Consumer Finance Limited*) (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended 31<sup>st</sup> March, 2020 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:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2020 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (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 thereunder;
- (iv) The Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; [Applicable only to the extent of Foreign Direct Investment and Overseas Direct Investment]
- (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, 2015;

- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; and The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and amendments from time to time;
  - (d) The SEBI (Share Based Employee Benefits) Regulations, 2014;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (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 as there was no reportable event during the period under review]; and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; and The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018, as applicable [Not Applicable as there was no reportable event during the period under review];
- (vi) Other laws specifically applicable to the Company, namely:
- (a) All the Rules, Regulations, Guidelines and Circulars applicable to Non Banking Financial Companies under the RBI Act, 1934
  - (b) Credit Information Companies (Regulation) Act, 2005 and Rules

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

- i. Secretarial Standards with regard to Meeting of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India
- ii. The Listing Agreements entered into by the Company with the Stock Exchanges of India Limited and BSE Limited read with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;

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

**We further report that:**

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Women Director 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.
- All the decisions of the Board and Committees thereof were carried out with requisite majority.

  


**We further report that** based on review of compliance mechanism established by the Company, we are of the opinion that there are adequate systems and processes in place in the Company which is commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**We further report that** during the audit period the Company has:

- i. During the period under review, the Company has allotted 16,82,028 Secured Redeemable Non-Convertible Debentures of Rs. 1,000/- each, through Public Issues and 2,500 Secured Redeemable Non-Convertible Debentures of Rs. 10,00,000/- each, on private placement basis & Secured Redeemable Non-Convertible Debentures amounting to Rs. 425 cr. have been redeemed.
- ii. The Company had taken Board's and Shareholders approval on July 31, 2019 and September 27, 2019 respectively, to shift its Registered Office from Delhi to the State of Haryana.
- iii. During the period under review the Company had invested an aggregate amount of Rs.8,19,52,60,493 in the Equity Share Capital of its subsidiaries.

**For A. K. Kuchhal & Co.  
Company Secretaries**



**(Priyanshu Yadav)**

**Partner**

**C. P. 23043**

**UDIN: A061820B000608476**

Date: August 24, 2020  
Place: Noida

Note: This report is to be read with letter of even date by the Secretarial Auditors, which is annexed and forms an integral part of this report.

# ANNEXURE TO SECRETARIAL AUDITORS' REPORT

To,

The Members,

**Dhani Loans and Services Limited**  
*Formerly Known as Indiabulls Consumer Finance Limited*  
**CIN U74899DL1994PLC062407**  
**M-62 & 63, First Floor**  
**Connaught Place, New Delhi-01**

Our Secretarial Audit Report of even date, for the financial year 2019-20 is to be read along with this letter.

## **Management's Responsibility**

1. It is the responsibility of the management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

## **Auditor's Responsibility**

2. Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.
3. We believe that audit evidence and information obtained from the Company's management is adequate and appropriate for us to provide a basis for our opinion.
4. Wherever required, we have obtained the management's representation about the compliance of laws, rules and regulations and happening of events etc.

## **Disclaimer**

5. 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.
6. We have not verified the correctness and appropriateness of financial records and books of account of the Company.

**For A. K. Kuchhal & Co.**  
**Company Secretaries**



**(Priyanshu Yadav)**

**Partner**

**C. P. 23043**

**UDIN: A061820B000608476**

Date: August 24, 2020  
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