



Uni-Com Fincorp  
Pvt. Ltd.

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CIN No. U65929PB2016PTC045572

## **DIRECTOR'S REPORT 2019-20**

To,  
The Members

Your Directors have pleasure in presenting the Annual Report of your Company along with the Audited statement of accounts and Auditors' Report of Uni-Com Fincorp Private Ltd. for the financial year ended March 31, 2020.

(Figures Rs. in lacs rounded off)

S. No.	Particulars	Current Year Ended March 31, 2020	Current Year Ended March 31, 2019
1.	Gross Income	344.08	128.04
2.	Expenditure (excluding depreciation)	303.66	97.44
3.	Depreciation	3.62	2.19
4.	Profit before taxes	36.79	28.40
5.	Taxes/Adjustment	12.68	7.07
6.	Deferred Tax Charge	-1.41	0.21
7.	Net profit after tax	25.75	21.13
8.	Transfer to Statutory reserve	6.44	5.28
9.	Paid up Capital	475	225
10.	Reserve & surplus	72.38	21.63
11.	Net Owned Funds	544.75	245.40
12.	Earnings Per Share	0.54	0.94

## About Covid-19

The COVID-19 pandemic has spread across the world — leading to well above 4.7 million confirmed infections, over 315,000 deaths, enormous human suffering and a full stop on virtually all commercial and economic activities.

In India too, which implemented a lockdown since 25 March 2020, the pandemic has created shocks ripping through society and the world of business.

The consensus seems to be that real GDP growth will fall from 4.2% in FY2020 to (-)5% in FY2021. If it was to happen as predicted, this will represent the greatest fall in GDP growth since 1979-80, when real GDP growth plummeted from 5.7% in the previous year to (-)5.2%. According to this group of economists, Q1 FY2021 will show a sharp negative growth; Q2 FY2021 will see tortuous limping back; and H2 FY2021 will see a gradual pickup in growth which, unfortunately, may not be sufficient to prevent the full year's GDP from a sharp contraction. Frankly speaking, we do not know. What we can say quite clearly is that FY2021 will be the most difficult year that we have seen for a very long time. Not just us in India, but across much of the world.

## Macroeconomic Overview

Recognising the economic headwinds, the Government of India undertook various measures to boost growth — which included a substantial tax relief to the corporate sector to boost investments. Even without the terrible effects of COVID-19, India's GDP growth was rapidly slowing down. Before the COVID-19 pandemic and lockdown, both the RBI and the Central Statistics Office (CSO) of the Government of India had revised the GDP growth rate downwards. The RBI changed its full year GDP growth estimate from an initial 7.2% to 5% in December 2019, and ascribed the tapering of growth to a tight credit market impacting fresh investments, weak capital expenditure and a slowdown in manufacturing.

## Industry Overview

The NBFC sector continued to grow its share in the financial services industry. Credit growth of scheduled commercial banks (SCBs) continued to moderate throughout FY2020. On 31 March 2019, growth in advances of SCBs was 13.2%. By 30 September 2019, this had reduced to 8.7% and on 27 March 2020, it was further down to 6.1%. SCBs also continued to face asset quality challenges in FY2020. Data published by the RBI in its Financial Stability Report dated 27 December 2019 show that NBFCs have outperformed SCBs on asset quality, as the figures below indicate.

Particulars	31 <sup>st</sup> March 2019		30 <sup>th</sup> September 2019	
	SCBs	NBFCs	SCBs	NBFCs
Gross Non Performing Assets	9.3%	6.1%	9.3%	6.3%
Net Non-Performing Assets	3.8%	3.4%	3.7%	3.4%



The RBI's moratorium measures for customers is likely to put additional stress on many NBFCs. There is an asymmetry. On one hand, NBFCs have to offer such moratoriums to their customers; while on the other, their market borrowings must be repaid on due dates.

To ease liquidity pressure on NBFCs, the RBI has taken multiple actions including a Targeted Long-Term Repo Operation (TLTRO) for the sector of Rs.50,000 crore and a special financing window through SIDBI, NABARD and National Housing Bank (NHB) of another Rs.50,000 crore to enable financing NBFCs. It remains to be seen whether the RBI will open a direct window to support the NBFC sector. The COVID-19 pandemic is also expected to result in a deterioration in the asset quality of the financial sector. NBFCs too will face similar pressures. Early indicators of non-delinquent customers opting for moratoriums reflect a considerable level of anxiety from customers. It remains to be seen how this anxiety eases when economic activities resume.

### **STATE OF AFFAIRS**

Even where competition is rising to the extreme level with new players entering the NBFC sector every year and where the big market players are already posing threat by capturing the maximum business, your Company has witnessed an appreciable growth in its profit during the financial year 2019-20 after combating all the economic and regulatory challenges that have come in its path. The directors are positive about generating more revenue in the coming years.

### **THE NET OWNED FUNDS**

To meet with the expansion plans your Company has been successful in sourcing owned funds required from time to time. As a result, Net Owned Funds of the Company as on March 31, 2020 increased to Rs. 544.75 lakh as compared to Rs. 245.40 lakhs as on March 31, 2019 showing an appreciable increase as compared to the previous year.

### **TOTAL REVENUE**

During the Financial year 2019-20, the big and systematic challenges of high competition & world pandemic outbreak causing countrywide lockdown led to global shutdown of economy. Despite the extreme market conditions, the company with its endless efforts has earned Total Revenue of Rs.344.08 Lakhs for the year ended March 31, 2020 as compared to Total Revenue of Rs.128.04 Lakhs for the year ended on March 31, 2019 recording a very impressive increase of 168.73%.

### **NET PROFIT**

With the help of well managed policies and internal procedures which are effectively implemented by the enthusiastic team and management, the Company has been able to show a good growth. The net profit of the company increased from Rs. 28.41 Lakhs for the year ending March 31<sup>st</sup>, 2019 to Rs. 36.79 Lakhs for the year ending March 31<sup>st</sup> 2020 marking an increase of around 29.50%.

### **EARNING PER SHARE**

The Earning per share of the company has decreased to Rs.0.54 as on March 31, 2020 as compared to Rs. 0.94 during the previous financial year ended on March 31, 2019. The said



decrease is the result of the issued of fresh shares during the financial year due to which earning per shares decreased.

### **ISSUE OF SHARE CAPITAL**

Pursuant to the offer letter dated February 12, 2020 for issuing equity shares on rights basis in the ratio of 4 equity shares for every 3 equity shares held, Company allotted 25,00,000 (Twenty Five Lakh ) Equity shares of Rs. 10/- each (Rupees Ten Only) at a price of Rs.11/-(Rupees Eleven Only) each (including premium of Re.1/-(Rupee One Only) per Equity Share) each aggregating to Rs. 2,75,00,000 (Rupees Two Crore Seventy Five Lakh Only). Pursuant to such allotment, the paid up share capital of company increased from Rs. 2,25,00,000/- to Rs. 4,75,00,000/-.

### **DIVIDEND**

No Dividend has been declared by the Board of Directors during the financial year 2019-2020.

### **OPERATIONS - PROSPECTS AND FUTURE PLANS**

The company is aiming improvement in business activities to increase its profitability by fulfilling the genuine financial requirements of clients throughout the country and providing them with best services. Your Company is emerging with a differentiated model. Uni-Com Fincorp Private Limited's endeavor is to provide finance to lower to mid segment, who are under served in terms of credit facilities and to provide them structured solutions for their fund requirements. The ultimate objective is to assist these clients fulfill their financial requirements, achieve goals and to be a part of their value creation journey as being a trusted financial partner and advisor. Further, your Company aims to provide funds to the NBFC promoters at very reasonable pricing. The Company is on the further expansion mode and is committed to show impressive growth during the years to come.

### **DEPOSITS**

Your Company being Non-Deposit Taking NBFC has not accepted any deposits during the financial year ended March 31, 2020.

### **RESERVE BANK OF INDIA – REGULATORY UPDATE**

Your Company has been following all the relevant guidelines and directions issued by the Reserve Bank of India from time to time. The Company has been classified as a registered Category-B, NBFC (Non-Banking Financial Company). The company has been submitting regularly all necessary returns to RBI and ensuring compliance of all the regulatory norms.

### **FAIR PRACTICES CODE**

Uni-Com Fincorp Private Limited has adopted Board approved Fair Practices Code, which provides operating guidelines for effective dissemination and implementation of responsible business practices and grievance redressed system. Your Company follows various guidelines issued by Reserve Bank of India (RBI)

### **CHANGE IN THE NATURE OF BUSINESS**

There has been no change in the nature of business and the company is working towards increasing the efficiency and productivity of operations. The company is making untiring efforts towards the improvement and development of business activities.

## **DISCLOSURES PURSUANT TO COMPANIES ACT, 2013 & RULES**

### **EXTRACT OF THE ANNUAL RETURN UNDER SECTION 92(3) AND WEB ADDRESS, IF ANY, WHERE ANNUAL RETURN HAVE BEEN UPLOADED**

The extract of the Annual Return as at March 31, 2020 as provided under Section 92 (3) of the Companies Act, 2013 read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014 shall be viewed on Company's website at <http://unicom-fincorp.com/>.

### **CHANGE IN THE COMPOSITION OF THE BOARD OF DIRECTORS/ KEY MANAGERIAL PERSONNEL DURING THE YEAR**

No change took place in the composition of Board of Directors during the financial year 2019-20. The composition of Board is as follows on March 31, 2020:

S.No.	Name of Directors	DIN	Designation	Date of Appointment
1	Ajit Kumar Rakheja	02144807	Director	01/08/2016
2	Hemant Wadhwa	02144840	Director	01/08/2016
3	Munish Chopra	03111751	Director	01/09/2017
4	Neeraj	07407841	Director	01/08/2016

### **NUMBER OF BOARD MEETINGS WITH DATES AND NUMBER OF MEETINGS ATTENDED BY EACH DIRECTOR UNDER SECTION 134(3) (B):**

The Board of Directors met 10 times during the Financial year 2019-20, in accordance with the provisions of the Companies Act, 2013 and rules made there under. The dates of the Board meetings are as follows:

Sr. No.	Particulars	
1.	Number of Meetings	10
2.	Dates of Meeting	09 April, 2019 11 April, 2019 23 April, 2019 19 April, 2019 30 August, 2019 04 October, 2019 06 December, 2019 10 January, 2020 08 February, 2020 29 February, 2020

### **NO. OF MEETINGS ATTENDED BY DIRECTORS**

Sr. No.	Name of Directors	Board Meeting Attended
1.	AJIT RAKHEJA	10



3.	NEERAJ	9
4.	HEAMANT WADHWA	10
5.	MUNISH CHOPRA	10

**DIRECTORS' RESPONSIBILITY STATEMENT UNDER SECTION 134(3)(C); SEC 134 (5)(A) TO (F) AND SEC 134(5)(E)**

In accordance with the applicable Provision of the Company Act, 2013, Your Directors state that:

- (i) In the preparation of annual accounts, the applicable accounting standards and guidance provided by the Institute of Chartered Accountants of India had been followed and that there are no material departures;
- (i) 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 end of the financial year and of the profit and loss of the Company for that period;
- (ii) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the Provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting frauds & other irregularities;
- (iii) The Directors have prepared the annual accounts on a going concern basis; and
- (iv) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.
- (v) The Directors had devised proper system to ensure compliance with the provisions of all applicable laws and that such system were adequate and operating effectively.

**STATEMENT ON DECLARATION GIVEN BY INDEPENDENT DIRECTOR'S U/S 149(6)**

The Company was not required to appoint any Independent Director, hence no disclosure is required to be given.

**DISQUALIFICATION OF DIRECTORS**

On the basis of the written consent received from all the directors appointed in the Company, none of the director is disqualified under the provisions as mentioned in Section 164(2) of the Companies Act, 2013 to be appointed as director.

**AUDITORS AND AUDITOR'S REPORT**

M/s Walia Jasvir & Associates, Chartered Accountants, Jalandhar Statutory Auditors of the company have audited the accounts of the company for the financial year 2019-20 as per the accounting standards followed in India.

**COMMENTS BY THE BOARD ON QUALIFICATION, RESERVATION OR ADVERSE REMARKS OR DISCLAIMER MADE BY AUDITORS IN AUDIT REPORT**



There is no qualification, reservations or adverse remarks given by the Auditors which need comments by the Board. The notes to accounts referred to in Auditors' Report has been discussed by the Board and are self-explanatory and therefore, in the opinion of the Directors, do not call for any further comments.

**DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS UNDER SUB-SECTION 12 OF SECTION 143 OTHER THAN THOSE WHICH ARE REPORTABLE TO THE CENTRAL GOVERNMENT**

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

**LOANS, GUARANTEES & INVESTMENTS UNDER SECTION 186**

Pursuant to Section 186(11) of the Companies Act, 2013, loans made, guarantees given or securities provided or acquisition of securities by a Non-Banking Financial Company in the ordinary course of its business are exempted from disclosure requirements under Section 134(3) (g) of the Companies Act, 2013.

**RELATED PARTY TRANSACTION UNDER SECTION 188 READ WITH RULE 8(2) OF COMPANY (ACCOUNT) RULES, 2014**

During the current financial year, the Company has not entered into any such transaction with the related party which is required to be disclosed in AOC-2. However the transactions entered into by the company with its related parties were made in the ordinary course of business and does not have any material impact over the affairs of the Company.

**AMOUNTS PROPOSED TO BE CARRIED TO RESERVES, IF ANY**

The Company has transferred Rs. 6.44/- Lakh to the Statutory Reserves Account during the Financial year 2019-20.

**MATERIAL CHANGES & COMMITMENTS AFFECTING FINANCIAL POSITION OF THE COMPANY, OCCURRING BETWEEN DATE OF FINANCIAL STATEMENTS AND THE BOARD'S REPORT**

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which this financial statement relates and the date of this Board report.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS & OUTGO, IN MANNER PRESCRIBED**

**A) Conservation of Energy**

The company is in the service sector and consuming energy in the form of electricity and diesel used in generators. There is no capital investment on energy conservation equipment.

**B) Technology Absorption**

- (i) The company is using latest technology in all its operations during the year ending March 31, 2020
- (ii) The Company has not used any imported technology during the previous three financial years.
- (iii) During the year, the Company has not incurred any expenditure on Research & Development.



**(C) Foreign exchange earnings and Outgo-**

There was no foreign exchange inflow or Outflow during the year under review.

**DEVELOPMENT & IMPLEMENTATION OF RISK MANAGEMENT POLICY**

Risk is an integral part of every Company's business, and sound risk management is critical to the success of the organization. Your Company is exposed to risks that are particular to its environment within which it operates. The Company has identified and implemented comprehensive policies and procedures to assess, monitor and manage risk throughout your Company. The risk management process is continuously improved and adapted to the changing global risk scenario. The company has a comprehensive Risk Management Policy. Major risks identified in the processes are systematically addressed through mitigating actions on a continuing basis. These are discussed among the board of directors and corrective actions are taken as advised. The Board reviews the risk management policies in relation to various risks and regulatory compliance issues.

**DETAILS OF CSR POLICY AND ITS IMPLEMENTATION**

The provisions of Section 134(3) are not applicable to the company.

**NAME OF THE COMPANIES WHICH HAS BECOME / CEASED TO BE SUBSIDIARIES / ASSOCIATES OR JOINT VENTURES DURING THE YEAR**

During the Financial year 2019-20, no company became or ceased to be the subsidiary or joint venture of Uni-com Fincorp Private Limited. However, the company itself is a wholly owned subsidiary of M/s Uni-com India Private Limited.

**SEPARATE SECTION CONTAINING A REPORT ON PERFORMANCE AND FINANCIAL POSITION OF EACH OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES.**

The Company doesn't have any subsidiary, associate and joint venture. Therefore, no report in respect of the same is required to be given.

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

No significant & material orders were passed by the regulators, courts, tribunals impacting the going concern status and company's operations during the financial year 2019-2020.

**DETAILS IN RESPECT OF ADEQUACY OF INTERNAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS**

The Company has put in place an adequate internal control system to safeguard all its assets and ensure operational excellence. The Company also has a team of internal auditors to conduct internal audit which ensure that all transactions are correctly authorized and reported. Wherever necessary, internal control systems are strengthened, and corrective actions initiated.

**A DISCLOSURE AS TO WHETHER MAINTENANCE OF COST RECORDS AS SPECIFIED BY THE CENTRAL GOVERNMENT UNDER SECTION 148(1) OF THE COMPANIES ACT, 2013 IS REQUIRED BY THE COMPANY**



The company is a Non-Banking Finance Company registered with Reserve Bank of India engaged in the business of wholesale lending. The requirement to maintain cost record as specified by the Central Government Under Section 148(1) of the Companies Act, 2013 does not arise to our Company.

#### **VOLUNTARY REVISION OF FINANCIAL STATEMENT AND BOARD'S REPORT**

During the financial year 2019-20 the company has duly complied with all the provisions of Section 129 and 134. Therefore, No Voluntary revision of financial statements and Director's Board Report was done by the company during the Financial Year.

#### **ESTABLISHMENT OF VIGIL MECHANISM**

Provisions of Section 177 of the Companies Act, 2013 are not applicable on the Company, hence the Company was not required to establish vigil mechanism. However, Management makes sure that there is proper grievance redressal mechanism for employees and Directors and procedure to report concerns to the management, about unethical behavior, actual or suspected fraud or violation of the company's code of conduct or ethics policy, without any fear or threat of being victimized.

#### **ISSUE OF EQUITY SHARES WITH DIFFERENTIAL RIGHTS, SWEAT EQUITY, ESOP ETC.**

The company has not issued any equity shares with Differential Rights, Sweat Equity, ESOP etc. during the financial year 2019-20.

#### **APPOINTMENT OF RELATIVES OF DIRECTORS TO AN OFFICE OR PLACE OF PROFIT**

No person covered under the term 'Relatives' as per Companies Act, 2013 has been appointed to an office or place of profit.

#### **DISCLOSURE OF INVESTOR EDUCATION AND PROTECTION FUND UNDER SECTION 124 (5) & 125**

The Company was not required to transfer any amounts during the financial year ended on March 31, 2020 to the Investor Education and Protection Fund under Section 124 (5) and 125 of the Companies Act, 2013.

#### **CUSTOMER GRIEVANCE REDRESSAL**

Uni-Com Fincorp Private Limited has adopted a well-structured customer grievance redressal mechanism and provides customers a reliable and easily accessible interface for timely and fair resolution of enquires & complaints. The policy aims to minimize the instances of customer complaints through proper service delivery and review mechanism.

Grievance Redressal Officer - We have appointed Grievance Redressal Officer (GRO) at Head Office. GRO monitors customer grievances at all the levels and is responsible for ensuring timely resolution of all complaints through CCRs and Help Desks. A report on status of customer grievances is periodically reviewed at various levels of Management and the Board for decision making and minimizing complaints.

Our efforts at customer education during the years have paid off with an increasing number of customers approaching our grievance redressal channels for their queries.

#### **NON-PERFORMING ASSETS**



The Company has Gross Rs. 29.81/- Lakh of Non-Performing Assets which includes provision of Rs. 2.98/- Lakhs of Sub-Standard Assets

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

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy. However, no complaints were received during the year 2019-20

**DISCLOSURES IN RESPECT OF VOTING RIGHTS NOT EXERCISED DIRECTLY BY THE EMPLOYEES**

There are no such disclosures in respect of voting rights not exercised directly by the employees.

**CORPORATE GOVERNANCE**

Your Company firmly believes in good corporate governance and endeavors to implement the Corporate Governance in its true spirit to ensure transparency in all its operations, make disclosures and enhance shareholder value without compromising in any way on compliance with extant laws and regulations.

**COMPLIANCE WITH THE PROVISIONS OF SECRETARIAL STANDARD- 1 AND SECRETARIAL STANDARD - 2**


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

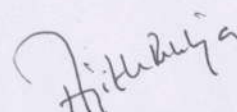
**ACKNOWLEDGEMENT**

We are grateful to our Bankers, Central and State Governments, and other statutory bodies for their co-operation and guidance. We appreciate company's staff for putting in their best. We express our sincere gratitude to our valued clients, depositors, hirers and associates for their trust and co-operation. Last but not least on behalf of the Board of Directors; We thank you dear shareholders for your continuous support at all times.

For & On Behalf of the Board of Directors  
Uni-Com Fincorp Private Limited

Date: 30/09/2020  
Place: Jalandhar

  
Ms. Neeraj  
(Director)  
DIN: 07407841

  
Mr. Ajit Rakheja  
(Director)  
DIN: 02144807