

**37TH  
ANNUAL REPORT  
2021-22**



**PMC Fincorp Limited**

<b><i>CONTENTS</i></b>	<b><i>PAGE NO.</i></b>
CORPORATE INFORMATION	2
PERFORMANCE HIGHLIGHTS	3
NOTICE	4
DIRECTORS' REPORT	19
MANAGEMENT DISCUSSION & ANALYSIS	36
CORPORATE GOVERNANCE	39
AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE	60
AUDITORS' REPORT	61
BALANCE SHEET	70
STATEMENT OF PROFIT & LOSS A/C	71
CASH FLOW STATEMENT	73
NOTES FORMING PART OF THE FINANCIAL STATEMENT	74

<b>37<sup>th</sup> ANNUAL GENERAL MEETING</b>	
<b>DATE</b>	17th September, 2022
<b>DAY</b>	Saturday
<b>TIME</b>	11:00 A.M.
<b>MODE</b>	Through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM")



**CORPORATE INFORMATION**

<p><b><u>BOARD OF DIRECTORS</u></b></p> <p>Mr. Raj Kumar Modi                      DIN : 01274171                  Mrs. Rekha Modi                          DIN : 01274200                  Mr. Prabhat Modi                         DIN : 08193181                  Mr. Mahavir Prasad Garg                DIN : 00081692                  Mr. Yogesh Kumar Garg                 DIN : 02144584                  Mr. Abhay Kumar                         DIN : 09412231</p>		<p>Managing Director                  Non-Executive Director                  Non-Executive Director (<i>appointed w.e.f. 24-11 2021</i>)                  Independent Director                  Independent Director                  Independent Director (<i>appointed w.e.f. 24-11 2021</i>)</p>
<p><b><u>STATUTORY AUDITORS</u></b>  <b>M/s Sunil K. Gupta &amp; Associates</b>                  Chartered Accountants,                  Firm Registration No.002154N                  4232/1 Ansari Road,                  Darya Ganj New Delhi - 110002</p>		<p><b>CIN</b>    L27109UP1985PLC006998  <b>Date of Incorporation</b>                      6998 of 1985                  dated 04.02.1985  <b>Commencement of Business</b>                6998 of 1985                  dated 15.04.1985  <b>PAN</b>    AADCP1611J</p>
<p><b><u>INTERNAL AUDITORS</u></b>  <b>M/s. KPSP &amp; Associates</b>                  Chartered Accountants,                  Firm Registration No.019471N                  107, Padma Tower - 1,                  Rajendra Place, New Delhi</p>		<p><b><u>SECRETARIAL AUDITORS</u></b>  <b>M/s Ashu Gupta &amp; Co.,</b>                  Company Secretaries                  FCS No.:4123, CP No.: 6646                  204A, Second Floor, S.B.I. Building,                  23, Opp. DLF Tower, Shivaji Marg,                  New Delhi-110015</p>
<p><b><u>BANKERS</u></b>                  HDFC Bank Ltd.                  ICICI Bank Ltd.</p>		<p><b><u>REGISTRAR &amp; SHARES TRANSFER AGENT</u></b>                  Indus Portfolio Pvt. Ltd.                  G-65, Bali Nagar, New Delhi - 110 015                  Phone : 011-47671214, 47671211, 47671206                  E-mail : rs.kushwaha@indusinvest.com</p>
<p><b><u>REGISTERED OFFICE</u></b>                  B-10, VIP Colony, Civil Lines,                  Rampur - 244901 (U.P.)</p>		<p><b><u>CORPORATE OFFICE</u></b>                  201 &amp; 202 Second Floor Rattan Jyoti Building,                  18, Rajendra Place, New Delhi-110008.</p>
<p><b><u>COMPANY SECRETARY</u></b>                  Mr. Kailash</p>		<p><b><u>CHIEF FINANCIAL OFFICER</u></b>                  Mr. Chandresh Kumar Sharma</p>
<p><b>CONTACT DETAILS</b></p> <p><b>Tel :</b> 011 - 47631025, 26, 27  <b>Email :</b> <a href="mailto:compliances@pmcfincorp.com">compliances@pmcfincorp.com</a>  <b>Website :</b> <a href="http://www.pmcfincorp.com">www.pmcfincorp.com</a></p>		

**IMPORTANT COMMUNICATION TO THE MEMBERS**

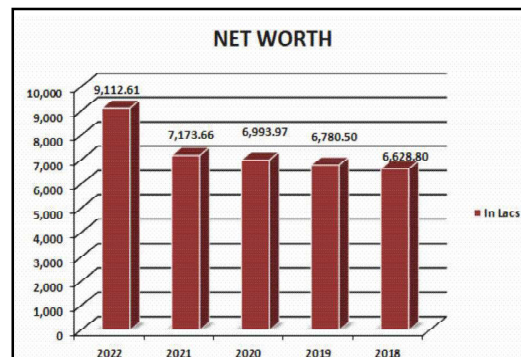
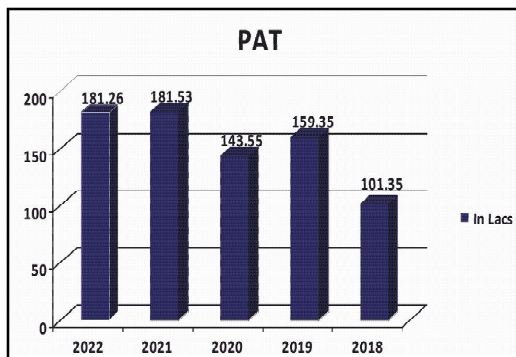
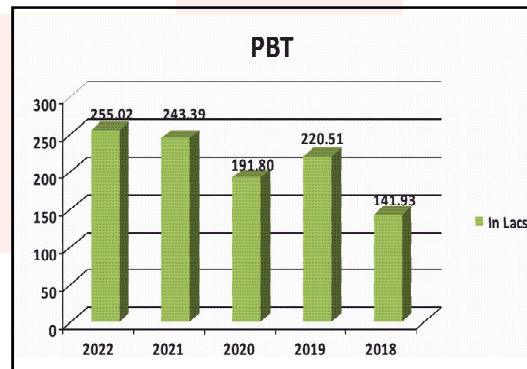
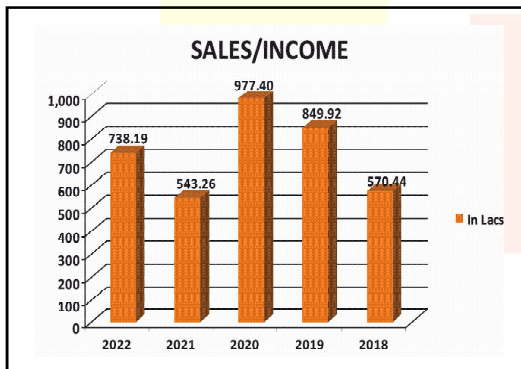
*The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the Companies and has issued circulars stating that service of Notice / documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their E-mail addresses, so far, are requested to register their E-mail addresses, with the Registrar & Share Transfer Agent and/or the Company.*



**LAST FIVE YEARS AT A GLANCE**

(₹ in Lacs)

Sl. No.	Particulars/Financial Year	2021-22	2020-21	2019-20	2018-19	2017-18
1	Sales/Income from operation	<b>738.19</b>	543.26	977.40	849.92	570.44
2	PBT	<b>255.02</b>	243.39	191.80	220.51	141.93
3	Tax/Deferred Tax	<b>72.77</b>	61.26	48.25	61.15	40.58
4	PAT	<b>181.26</b>	181.53	143.55	159.35	101.35
5	Total Comprehensive Income	<b>218.92</b>	180.77	204.10	—	—
5	Dividend	—	—	—	—	—
6	Equity Capital	<b>5090.61</b>	5090.61	5090.61	5090.61	4865.61
7	Reserve & Surplus	<b>4022.00</b>	2083.05	1903.36	1697.90	1538.19
8	Net Worth	<b>9112.61</b>	7173.66	6993.97	6788.51	6628.80
9	Book Value (₹1/- per share)	<b>1.79</b>	1.41	1.37	1.33	1.30
10	EPS (₹1/- per share)	<b>0.04</b>	0.04	0.04	0.03	0.02



**NOTICE**

Notice is hereby given that the 37th Annual General Meeting of the Members of **PMC FINCORP LIMITED** will be held on **Saturday, the 17th day of September, 2022 at 11:00 A.M.** (IST) for the transaction of the following businesses, through Video Conferencing ("VC")/Other Audio-Visual Means ("OAVM") in conformity with the regulatory provisions and the Circulars issued by the Ministry of Corporate Affairs, Government of India:-

**ORDINARY BUSINESS:****1. Adoption of Audited Financial Statements of the Company**

To consider and adopt the Financial Statements of the Company consisting of the Standalone Balance Sheet, Statement of Profit and Loss Account and Cash Flow Statement for the Financial Year Ended 31st March, 2022 and the Reports of the Board of Directors and Auditors thereon.

**2. Appointment of Mrs. Rekha Modi (DIN: 01274200) as a Director Liable to Retire by Rotation**

To appoint a Director in place of Mrs. Rekha Modi (DIN: 01274200), who is liable to retire by rotation in terms of Section 152(6) of the Companies Act, 2013 and being eligible, offers herself for re-appointment.

**3. Appoint Statutory Auditors**

To appointment of M/s Pankaj Gupta & Co., Chartered Accountants (Firm Registration No. 019302N) as the Auditors of the Company and to fix their Remuneration and in this regard, to consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **ORDINARY RESOLUTION**:

**"RESOLVED THAT** pursuant to the Provisions of Section 139, 142 and other applicable Provisions, if any, of Companies Act, 2013 ("the Act") read with Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s), or re-enactment thereof, for the time being in force) M/s Pankaj Gupta & Co., Chartered Accountants (Firm Registration No. 019302N) be and are hereby appointed as Statutory Auditors of the Company, in place of M/s. Sunil K. Gupta & Associates, existing retiring auditors, to hold office from the conclusion of this Annual General Meeting until the conclusion of 42th Annual General Meeting of the Company at such remuneration as may be fixed by the Board of Directors of the Company on recommendation of the Audit Committee."

**SPECIAL BUSINESS:****4. Change in Designation of Mr. Prabhat Modi (DIN: 08193181) from Non-Executive Director to Whole Time Director of the Company:**

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

**"RESOLVED THAT** pursuant to provisions of Sections 152, 196, 197, 203 of the Companies Act, 2013 and any other applicable provisions thereof and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013, as proposed and recommended by the Nomination and Remuneration Committee and the Board of Directors of the Company respectively, the consent of the members of the Company be and is hereby accorded to the change in designation of Mr. Prabhat Modi (DIN: 08193181) from Non-Executive Director to Whole-Time Director of the Company for the period three years with effect from August 10, 2022 at a remuneration of Rs. 1,00,000/- (Rupees One Lakh only) per month.

**Perquisites and allowances:** In addition to the salary, Mr. Prabhat Modi shall also be entitled to the perquisites and allowances like, conveyance allowance, transport allowance, leave travel allowance, use of company car for official purposes, at the end of tenure and such other perquisites and allowances in accordance with the rules of the Company not exceeding Rs. 1,00,000/- per month (Rupees One Lacs Only). The nature and breakup of the perquisites and allowances will be determined in accordance with schemes/policies/rules of the Company or may be decided by the Board of Directors from time to time.



**RESOLVED FURTHER THAT** in the event of absence or inadequacy of profits in the financial year, the Company will pay remuneration by way of Salary including perquisites and allowances as specified under Section II of Part II of Schedule V to the Companies Act, 2013 or in accordance with any statutory modification(s) thereof.

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorized to alter and vary the terms and conditions of the appointment and/or remuneration based on the recommendation of the Nomination & Remuneration Committee subject to the same not exceeding the limits specified under Section 197 read with Schedule V of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force).

**RESOLVED FURTHER THAT** Mr. Raj Kumar Modi, Managing Director and Mr. Kailash, Company Secretary of the company be and are hereby authorized jointly and/or severally, as the case may be, to take all such steps as may be necessary, proper and expedient to give complete effect to this Resolution.”

By Order of the Board  
For **PMC FINCORP LIMITED**

**Place :** NewDelhi  
**Date :** 10.08.2022

**(KAILASH)**  
Company Secretary  
Membership No. A51199

#### **NOTES:**

1. In view of the continuing the global outbreak of the COVID19 pandemic and to ensure social distancing norms, the Ministry of Corporate Affairs ("MCA") has vide its General Circular Nos. 02/2022 dated May 05, 2022 read with Circular No. 14/2020, 17/2020, 22/ 2020, 33/2020,39/2020 and 10/2021 dated April 8, 2020, April 13, 2020, June15, 2020, September 28, 2020, December 31, 2022 and June 23, 2021 respectively, and clarification circular No. 20/2021 dated December 08, 2021 issued by the Ministry of Corporate Affairs ("MCA Circulars") has allowed Companies to hold the Annual General Meeting AGM through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time ("SEBI Listing Regulations"), MCA Circulars and SEBI Circulars, the AGM of the Company is being held through VC/OAVM. Hence, Members can attend and participate in the AGM through VC/OAVM only. The deemed venue for the AGM shall be the Registered Office of the Company.

In compliance with the provisions of the Companies Act, 2013 ("the Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and MCA Circulars, the 37<sup>th</sup> Annual General Meeting ("Meeting" or "AGM") of the Company is being held through VC / OAVM on Saturday, September 17, 2022 at 11:00 a.m. (IST). The proceedings of AGM deemed to be conducted at the Registered Office of the Company situated at B-10, VIP Colony Civil Lines Rampur UP 244901.

2. An Explanatory Statement for the proposed resolutions pursuant to Section 102 of the Companies Act. 2013 setting out all material facts and reasons for the aforesaid special businesses is annexed hereto and forms part of this Notice.
3. Institutional Investors, who are Members of the Company, are encouraged to attend and vote at the AGM through VC/OAVM facility. Corporate Members/ Institutional Investors (i.e. other than individuals, HUF's, NRI's, etc.) who are intending to appoint their authorized representatives pursuant to Sections 112 and 113 of the Act, as the case may be, to attend the AGM through VC or OAVM or to vote through remote e-voting are requested to send a certified copy of the Board Resolution to the Scrutinizer by e-mail at [ashugupta.cs@gmail.com](mailto:ashugupta.cs@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) latest by Friday, September 16, 2022 (upto 5:00 p.m). Corporate Members/ Institutional shareholders (i.e. other than individuals, HUF's, NRI's etc.) can also upload their Board Resolution/Power of Attorney/Authority Letter etc. by clicking on "Upload Board Resolution/Authority Letter" displayed under "e-Voting" tab in their login.



4. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
5. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
6. Pursuant to the provisions of Section 91 of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Register of Members and Share Transfer Books of the Company will remain closed from **Saturday, September 10, 2022 to Saturday, September 17, 2022** (both days inclusive) for the purpose of this AGM.
7. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as venue voting on the date of the AGM will be provided by NSDL.
8. The Notice of the AGM, details and instructions for e-voting is uploaded on the Company's website [www.pmcfincorp.com](http://www.pmcfincorp.com) and may be accessed by the members. The physical copies of the aforesaid documents, Auditors certificate and other statutory registers will also be available at the Company's registered office for inspection during normal business hours (except Saturday, Sunday and National Holidays) from 11:00A.M. to 04:00 P.M from the date hereof upto the date of the AGM, Copies of the Notice of the AGM, details and instructions for e-voting are being sent by electronic mode to the members whose email addresses are registered with the Company / Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email addresses, physical copies of the aforesaid documents are being sent by the permitted mode.
9. 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 i.e. Friday, the September 9, 2022 only shall be entitled to avail the remote a-voting facility as well as voting in the AGM.
10. Any person who becomes a member of the Company after dispatch of the Notice of the Meeting and holding shares as on the cutoff date i.e. Friday, the September 9, 2022 may obtain the User ID and password by either sending an e-mail request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or calling on Toll Free No. 18-00-222-990. If the member is already registered with NSDL e-voting platform then he can use his existing User ID and password for casting the vote through remote e-voting.
11. The members are requested to intimate to the Company, queries, if any, at least 5 days before the date of the meeting to enable the management to keep the required information available at the meeting.
12. Trading in the shares of the Company can be done in dematerialized form only. Dematerialization would facilitate paperless trading through state-of-the art technology, quick transfer of corporate benefits to members and avoid inherent problems of bad deliveries loss in postal transit, theft and mutilation of share certificate and will not attract any stamp duty. Hence, we request all those members who have still not dematerialized their shares to get their shares dematerialized at the earliest.



13. The Board of Directors has appointed **Ms. Ashu Gupta (CP No. 6646)** of **M/s. Ashu Gupta & Co.**, Practicing Company Secretaries as the Scrutinizer to scrutinize the voting during the AGM and remote e-voting process in a fair and transparent manner.
14. In compliance with the MCA Circulars and SEBI Circular No. SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022, Notice of the 37th AGM along with the Annual Report 2021-22 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2021-22 will also be available on the Company's website [www.pmcfincorp.com](http://www.pmcfincorp.com) and website of the BSE Limited at [www.bseindia.com](http://www.bseindia.com) and on the website of NSDL <https://www.evoting.nsdl.com>.
15. As per the provisions of Section 72 of the Act, the facility for making a nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nominations are requested to register the same by submitting Form No. SH13. If a Member desires to cancel the earlier nomination and record a fresh nomination, he may submit the same in Form SH-14. Members who are either not desiring to register Nomination or would want to opt out, are requested to fill and submit Form No. ISR-3. The said forms can be downloaded from the RTA's website at <https://www.indusinvest.com>. Members are requested to submit the said form to their DP in case the shares are held in electronic form and to the RTA in case the shares are held in physical form, quoting their Folio No.
16. In terms of Regulation 40(1) of SEBI Listing Regulations, as amended from time to time, securities can be transferred only in dematerialized form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. Further, SEBI had fixed March 31, 2021 as the cut-off date for re-lodgement of transfer deeds and the shares that are re-lodged for transfer shall be issued only in dematerialised mode. The requests for effecting transfer/transmission/transposition of securities shall not be processed unless the securities are held in the dematerialised form. Transfers of equity shares in electronic form are effected through the depositories with no involvement of the Company. Members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company's Registrar and Transfer Agent, Indus Portfolio Private Limited ("RTA") at [rs.kushwaha@indusinvest.com](mailto:rs.kushwaha@indusinvest.com) for assistance in this regard.
17. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their DPs with whom they are maintaining their Demat accounts and members holding shares in physical form to the Company/Registrar & Transfer Agents.
18. Members are requested to intimate changes, if any, about their name, postal address, e-mail address, telephone/mobile numbers, PAN, power of attorney registration, Bank Mandate details, etc., to their Depository Participant ("DP") in case the shares are held in electronic form and to the Registrar in case the shares are held in physical form, in prescribed Form No. ISR-1, quoting their folio number and enclosing the self-attested supporting document. Further, Members may note that SEBI has mandated the submission of PAN by every participant in the securities market.
19. During the AGM, Members may access the electronic copy of the Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act and the Register of Contracts and Arrangements in which Directors are interested maintained under Section 189 of the Act. Members desiring inspection of statutory registers and other relevant documents may send their request in writing to the Company at [compliances@pmcfincorp.com](mailto:compliances@pmcfincorp.com), latest by Thursday, September 15, 2022 (upto 3:00 p.m).





## 20. KYC UPDATION

Vide SEBI Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2021/655 dated November 3, 2021 read with SEBI Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2021/687 dated December 14, 2021 ("SEBI Circulars"), it is mandatory for the physical shareholders to update PAN, Address, Email ID, Mobile No., Bank Account details (KYC details) and Nomination details with Indus Portfolio Pvt. Ltd., Registrar and Transfer Agent (RTA) / Company. The RTA/ Company had sent Form ISR-1 for KYC Updation, ISR-2 for bank details and Form SH-13/SH-14 in respect of Nomination to physical shareholders whose KYC were not updated. Please note that as per said SEBI circulars, from January, 1, 2022, the RTA shall not process any service requests or complaints received from the shareholders till PAN, KYC and Nomination documents/details are received.

Form ISR-1, ISR-2, SH-13/SH-14 are also available on the website of the Company at [www.pmcfincorp.com/investor-relations/#KYC](http://www.pmcfincorp.com/investor-relations/#KYC) and on the website of RTA i.e. <https://www.indusinvest.com>.

Those physical shareholders who have not yet submitted Form ISR-1, ISR-2, SH-13/SH-14 are requested to submit the same to RTA/Company at earliest.

Those Shareholders who are holding shares in dematerialised mode are requested to ensure that aforesaid KYC details and nomination are updated with their depository participants.

Non-updation of KYC details in Folios, wherein any one of the cited details/documents above (i.e. PAN, Bank Details, Nomination) are not available on or after April 01, 2023, shall be frozen by the RTA as per above SEBI Circulars.

Further, the securities in the Frozen Folios shall be:

- a) eligible to lodge grievance or avail service request from the RTA only after furnishing the complete documents / details as aforesaid.
- b) eligible for any payment including dividend, interest or redemption payment only through electronic mode and an intimation from the RTA to the holder that the aforesaid such payment is due and shall be made electronically upon complying with the requirements.
- c) referred by the RTA/ Listed Company to the administering authority under the Benami Transactions (Prohibitions) Act, 1988 and or Prevention of Money Laundering Act, 2002, if they continue to remain frozen as on December 31, 2025.

The RTA shall revert the Frozen Folios to normal status upon:

- a) receipt of all the aforesaid documents / details mentioned above or
- b) dematerialization of all the securities in such folios the folios in which PANs is / are not valid as on the notified cut-off date of March, 31, 2022 or any other date as may be specified by the CBDT, shall also be frozen, as detailed above.

## GENERAL INSTRUCTIONS FOR ACCESSING AND PARTICIPATING IN THE AGM THROUGH VC/OAVM FACILITY AND VOTING THROUGH ELECTRONIC MEANS INCLUDING REMOTE EVOTING

1. National Securities Depositories Limited ("NSDL") will be providing facility for voting through remote e-Voting, for participation in the AGM through VC/OAVM Facility and e-Voting during the AGM.



2. The AGM is being held pursuant to the MCA Circulars through VC / OAVM facility, therefore physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxy(ies) by the Members will not be available for the AGM and hence, the Proxy Form, Attendance Slip and Route Map are not annexed to this Notice.
3. Members may join the AGM through VC/OAVM Facility by following the procedure as mentioned in the notice which shall be kept open for the Members from 10:30 a.m. IST i.e. 30 minutes before the time scheduled to start the AGM.
4. The facility for voting during the AGM will also be made available. Members present in the AGM through VC/OAVM and who have not cast their vote on the resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through the e-voting system during the AGM.
5. Members may note that the VC/OAVM Facility, provided by NSDL, allows participation of at least 1,000 or such higher Members on a first-come-first-served basis. The large shareholders (i.e. shareholders holding 2% or more shareholding), promoters, institutional investors, directors, key managerial personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, auditors, etc. can attend the AGM without any restriction on account of first-come first-served principle.
6. Attendance of the Members participating in the AGM through VC/OAVM Facility shall be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act.
7. Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended), Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India ("ICSI") and Regulation 44 of SEBI LODR Regulations read with MCA Circulars and SEBI Circular (as amended) 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).
8. The Notice calling the AGM has been uploaded on the website of the Company at [www.pmcfincorp.com](http://www.pmcfincorp.com). The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com) and AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. [www.evoting.nsdl.com](http://www.evoting.nsdl.com).

### **INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING ARE AS UNDER**

- I. The remote a-voting period commences on Wednesday, September 14, 2022 (9:00 AM) and ends on Friday, September 16, 2022 (5:00 PM) IST. During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of Friday, the September 9, 2022, may cast their vote by remote e-voting. The remote a-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolutions is cast by the member, the member shall not be allowed to change it subsequently
- II. The Members who have cast their vote by remote e-voting prior to the AGM may also attend and participate in the proceedings of the AGM through VC/OAVM but shall not be entitled to cast their votes again.
- III. A person who is not a Member as on the cut-off date should treat this Notice of AGM for information purpose only.
- IV. How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:



**THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:-**

The remote e-voting period begins on Wednesday, September 14, 2022 (9:00 AM) and ends on Friday, September 16, 2022 (5:00 PM) IST. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. Friday, September 9, 2022, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being Friday, September 9, 2022.

**How do I vote electronically using NSDL e-Voting system?**

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

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





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

Pursuant to SEBI circular No. SEBI/HO/ CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

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

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> <li>1. Existing <b>IDeAS</b> user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the "<b>Beneficial Owner</b>" icon under "<b>Login</b>" which is available under '<b>IDeAS</b>' section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "<b>Access to e-Voting</b>" under e-Voting services and you will be able to see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>2. If you are not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select "<b>Register Online for IDeAS Portal</b>" or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> </ol>



Type of shareholders	Login Method
	<p>4. Shareholders/Members can also download NSDL MobileApp "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience.</p> <p><b>NSDL Mobile App is available on</b></p> <p> App Store  Google Play</p> <p> </p>
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"><li>1. Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi/ Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</li><li>2. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of <b>e-Voting service provider i.e. NSDL</b>. Click on <b>NSDL</b> to cast your vote.</li><li>3. If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li><li>4. Alternatively, the user can directly access e-Voting page by providing dematAccount Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the dematAccount. After successful authentication, user will be provided links for the respective ESP i.e. <b>NSDL</b> where the e-Voting is in progress.</li></ol>
Individual Shareholders (holding securities in demat mode) login through their depository participants	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>

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



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

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

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

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

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

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

4. Your User ID details are given below :

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

5. Your password details are given below :
  - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need enter the 'initial password' and the system will force you to change your password.



- c) How to retrieve your 'initial password'?
  - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
  - (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered**.
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
  - a) Click on **"Forgot User Details/Password?"**(If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - b) **"Physical User Reset Password?"** (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address.
  - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

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

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

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN-120989" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.



**General Guidelines for shareholders**

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [ashugupta.cs@gmail.com](mailto:ashugupta.cs@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to Ms. Sarita Mote, Manager, NSDL at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

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

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to [compliances@pmcfincorp.com](mailto:compliances@pmcfincorp.com).
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to [compliances@pmcfincorp.com](mailto:compliances@pmcfincorp.com). If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A)** i.e. **Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode**.
3. Alternatively shareholder/members may send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

**THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-**

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.



### INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for Access to NSDL e-Voting system. After successful login, you can see link of "VC/OAVM link" placed under "Join General meeting" menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker may send their request mentioning their name, demat account number/folio number, email id, mobile number at [compliances@pmcfincorp.com](mailto:compliances@pmcfincorp.com).
6. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at [compliances@pmcfincorp.com](mailto:compliances@pmcfincorp.com). The same will be replied by the company suitably.
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker and send their request mentioning their name, demat account number / folio number, email id, mobile number at [compliances@pmcfincorp.com](mailto:compliances@pmcfincorp.com) before Monday September 12, 2022. Those members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

By Order of the Board  
**For PMC FINCORP LIMITED**

**Place :** NewDelhi  
**Date :** 10.08.2022

**(KAILASH)**  
Company Secretary  
Membership No. A51199





**EXPLANATORY STATEMENTS PURSUANT TO THE PROVISIONS OF SECTION 102 OF THE COMPANIES ACT, 2013 IN RESPECT OF ITEMS NO. 3 TO 4.**

**Items No.3**

The Members of the Company at the 32th Annual General Meeting ('AGM') held on September 23, 2017 approved the appointment of M/s. Sunil K. Gupta & Associates, (Firm Registration No. 002154N) Chartered Accountants, as the Auditors of the Company for a residual period of Five consecutive years from the conclusion of the said AGM. M/s. Sunil K. Gupta & Associates will complete their present term on conclusion of this AGM in terms of the said approval and Section 139 of the Companies Act, 2013 ('the Act') read with the Companies (Audit and Auditors) Rules, 2014. The remuneration of M/s. Sunil K. Gupta & Associates for conducting the audit for the financial year 2021-22 was 1.66 Lakhs and reimbursement of out-of-pocket expenses incurred.

Based on the recommendation of the Audit Committee, the Board of Directors proposes the appointment of M/s Pankaj Gupta & Co., Chartered Accountants (Firm Registration No. 019302N), for a term of five consecutive years from the conclusion of this Annual General Meeting until the conclusion of 42th Annual General Meeting of the Company, at an annual remuneration of INR 1.50 Lakhs plus applicable taxes and reimbursement of out of pocket expenses for performing the statutory audit functions of the Company for the financial year 2022-23 with the authority/power in favor of the Board/Audit Committee to modify the terms and conditions, including fixation/ variation of remuneration for remaining tenure of four years, as may be mutually agreed with the auditors of the Company.

The Committee considered various parameters like capability to serve a diverse and complex business landscape as that of the Company, audit experience in the Company's operating segments, market standing of the firm, clientele served, technical knowledge etc., and found M/s Pankaj Gupta & Co. to be best suited to handle the scale, diversity and complexity associated with the audit of the Financial Statements of the Company. The firm M/s Pankaj Gupta & Co. is business and financial advisory firm formed in 2003 The firm is registered with The Institute of Chartered Accountants of India (ICAI) vide Firm Registration Number (FRN) 019302N. It is professionally managed firm having knowledge of different areas of business. Apart from partners in the firm, the firm is supported by professionals from the various industries.

M/s Pankaj Gupta & Co. has a successful track record of providing a full diversified "One Stop Solution" for all business needs. The firm is engaged in providing consultancy and professional services related to statutory audit, internal audit, concurrent audit, tax audit, income tax, Goods and Services tax, Value added tax, certification, company law, excise and customs. Firm also provide services related to various outsourcing work of the clients such as payroll accounting, vendor management, risk assessment of the processes, data entry, salary certificates, secretarial work, filling of documents, project reports, investment services, tax reporting and other regulatory compliances. The firm is empaneled with the Reserve Bank of India and providing services to national and multinational entities.

Certificate from the said Auditors has been obtained to the effect that their appointment, if made, would be within the limits specified under section 141 of the Companies Act, 2013 and that they are eligible to be appointed as Auditors of the Company.

The Board of Directors recommends the ordinary resolution, at Item No. 3 of the accompanying Notice, for approval of members of the Company.

None of the Directors or any key managerial personnel or any relative of any of the Directors of the Company or the relatives of any Key managerial personnel is, in anyway, concerned or interested in Item No. 3 of the accompanying notice.



### Items No.4

Members are apprised that Mr. Prabhat Modi was appointed as Non-executive Additional Director of the Company in the Board meeting held on November 24, 2021 and was regularized in the Extra-Ordinary General Meeting held on February 24, 2022 as Non-executive Non Independent Director of the Company liable to retire by rotation. He has shown his willingness to act as Whole Time Director of the Company.

The Nomination & Remuneration Committee and the Board of Directors in their respective meetings held on August 10, 2022 considering the experience of Mr. Prabhat Modi in the field of Corporate Finance, Capital Markets Operations & Financial restructuring and General Management of the Company has decided to avail his services on regular basis. Hence, the Committee & the Board of Directors have proposed to change his designation from Non-executive to Whole Time Director of the Company at a fix monthly Remuneration of Rs.1,00,000/- (Rupees One Lakh Only). The change will take effect from August 10, 2022 and requires the approval of shareholders in General Meeting by way of Ordinary Resolution as per the provisions of Section 197 and other applicable provisions of the Companies Act, 2013.

Hence, this Resolution Mr. Prabhat Modi himself and Mr. Raj Kumar Modi, Ms. Rekha Modi being relatives may be considered to be interested in the aforesaid resolution. None of the other Directors and Key Managerial Personnel of the Company or their respective relatives are concerned or interested in the Resolution at Item No.4 of the accompanying Notice.

The Board recommends the Resolution at Item No.4 of the accompanying Notice for approval by the Members of the Company as a Ordinary Resolution.

By Order of the Board  
For **PMC FINCORP LIMITED**

**(KAILASH)**  
Company Secretary  
Membership No. A51199

**Place :** NewDelhi  
**Date :** 10.08.2022



**Annexure to AGM Notice**

The Statement of disclosures pursuant to Secretarial Standard-2 on General Meetings and Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, is as under:

**I. Re-appointment of Mrs. Rekha Modi (DIN: 01274200), Director Liable to Retire by Rotation**

Date of Birth	07.02.1970
Qualification	BSc., LLB
Nature of Expertise	Vast Experience in Legal Matter, Company Law & Finance
Terms and conditions of Reappointment	In terms of Section 152(6) of the Companies Act, 2013, Mrs. Rekha Modi is liable to retire by rotation.
Remuneration Proposed to be paid	Nil
Date of first appointment in the current designation	17.12.2009
Shareholding in the Company	86,40,000 equity shares of ₹ 1/- each.
Directorships in other Public Companies	1. Anantjit Dealers Limited 2. Anekmurti Enterprises Limited
Memberships/ Chairmanship of Committees of other Companies	Nil
Inter-se relationship between Directors and other Key Managerial Personnel	Wife of Mr. Raj Kumar Modi, Managing Director and Mother of Mr. Prabhat Modi, Director and not related to any other Director/ Key Managerial Personnel
Number of Meetings of the Board attended during the financial year (2021-2022)	9 (Nine)
Past Remuneration Drawn (FY 2021-2022)	Nil
Name of the Listed Entities from which the Director has resigned in the past three years	NIL

**II. Mr. Prabhat Modi (DIN: 08193181)**

Date of Birth	22.10.1995
Qualification	BSc Accounting and Finance, PGDM(SM)
Nature of Expertise	Experience in Corporate Finance, Capital Markets Operations & Financial Restructuring
Terms and conditions of Appointment	Change in Designation of Mr. Prabhat Modi from Non-Executive Director to Whole Time Director of the Company
Remuneration Proposed to be paid	Rs. 1,00,000/- (Rupees One Lakh only) per month notwithstanding it being in excess of the limits as prescribed in Section 197 of the Act.
Date of first appointment in the current designation	24.11.2021
Shareholding in the Company	Nil
Directorships in other Public Companies	1. Anekmurti Enterprises Limited
Memberships/Chairmanship of Committees of other Companies	Nil
Inter-se relationship between Directors and other Key Managerial Personnel	Son of Mr. Raj Kumar Modi, Managing Director and Mrs. Rekha Modi, Director and not related to any other Director/Key Managerial Personnel
Number of Meetings of the Board attended during the financial year (2021-2022)	4 (Four)
Past Remuneration Drawn (FY 2021-2022)	Nil
Name of the Listed Entities from which the Director has resigned in the past three years	NIL

**DIRECTORS' REPORT**

To,

The Shareholders,  
**PMC FINCORP LIMITED**

Your directors have pleasure in presenting the 37th Annual Report of PMC Fincorp Limited ("your Company/the Company") together with the Audited financial statements of the year ended March 31, 2022. The Company is registered with the Reserve Bank of India ("RBI") as a Non-Systemically Important Non-Banking Financial Company ("NBFC") not accepting public deposits (NBFC-ND-NSI).

**FINANCIAL SUMMARY OR HIGHLIGHTS/PERFORMANCE OF THE COMPANY**

The highlights of Financial Results on Standalone basis for the Financial Year ended on March 31, 2022 are as follows:.. (₹ in lakhs)

PARTICULARS	Year ended 31.03.2022	Year ended 31.03.2021
Revenue from Operations	738.19	543.27
Net Profit Before Tax	255.02	243.40
Provision for Tax	73.26	61.87
Net Profit After Tax	181.26	181.53
Other Comprehensive Income for the year	37.66	(0.75)
Total Comprehensive Income	218.92	180.78

**Note:** The above figures are extracted from the Standalone Annual financial statements of the Company as per Indian Accounting Standards (Ind AS).

**OPERATIONS REVIEW- STANDALONE**

Your Company has earned Income from Operation and Profit Before Tax aggregated to ₹738.19 Lacs and ₹255.02 Lacs during the current year, respectively as compared to Income ₹543.27 Lacs and Profit Before Tax ₹243.40 Lacs during the previous year.

**ACCOUNTING METHOD**

NBFCs were required to comply with the Indian Accounting Standards (IND-AS) for the preparation of the Financial Statements. Accordingly, the Annual Financial Statements for the year ended March 31, 2022 are prepared as per IND-AS.

**CHANGE IN NATURE OF BUSINESS**

There was no change in the nature of business of company

**DIVIDEND**

The Board of Directors of the Company has not recommended any dividend on the equity shares of the Company for the financial year 2021-22 due to conservation of profits.

**TRANSFER TO RESERVES**

Our Company has in accordance with the provisions of Section 45-IC of the Reserve Bank of India (RBI) Act, 1934, created a Reserve Fund and during the year under review the Company has transferred an amount of ₹43.79 Lacs (Rupees Forty Three Lakh Seventy Nine Thousand Only) out of the profits of the year to the said Reserve Fund.



## SHARE CAPITAL

There was change in capital structure of your Company during the year under review. Authorise Capital of the company increased from 52,00,00,000 to 60,00,00,000. As on March 31, 2022, the paid up equity share capital of the Company is ₹50,90,61,200/- comprising of 50,90,61,200 Equity shares of Face Value of ₹1/- each. During the financial year 2021-22, your Company has not issued any equity shares with differential rights as to Dividends, Voting or Otherwise, or any Convertible Securities, or Sweat Equity shares except Convertible Warrants. Your Company does not have any Employee Stock Option Scheme or Employee Stock Purchase Scheme.

During the year Company has allotted 7,00,00,000 Convertible Warrants to Promoter and Non-Promoter Category on March 16, 2022 at the rate 9.90/- each in which 2,50,00,000 warrants has converted into equity shares on May 24, 2022.

As on May 24, 2022 Company has increased paid up capital from ₹50,90,61,200/- comprising of 50,90,61,200 Equity Shares of Face Value of Rs. 1/- each to ₹53,40,61,200/- comprising of 53,40,61,200 Equity Shares of Face Value of ₹1/- each.

## LISTING INFORMATION

The Company's Share are Listed with BSE Limited, Mumbai. Your Company has paid the Annual Listing Fee up to date and there are no arrears. The BSE have nation-wide trading terminals and therefore provide full liquidity to the investors.

## LISTING AGREEMENT

The Securities and Exchange Board of India (SEBI), on September 2, 2015 issued SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015. The said regulations which became effective December 1, 2015 required all Listed Companies to enter into the fresh Listing Agreements within six months from the effective date.

Accordingly, the The Listing Agreements entered into by the Company with BSE Limited read with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

## RISK MANAGEMENT FRAMEWORK

The Company has a robust internal business management framework to identify, evaluate business risks and opportunities which seeks to minimize adverse impact on the business objectives and enhance the Company's business prospects. As an NBFC, PMC is exposed to credit risk, liquidity risk and Interest rate risk. Risk Management is an Integral part of the Company's business strategy

## DISCLOSURES

### Committees of the Board.

The Company has the following Committees constituted in accordance with the Companies Act, 2013 and SEBI (LODR) Regulations, 2015:

- ❖ Audit Committee
- ❖ Nomination & Remuneration Committee
- ❖ Stakeholders Relationship Committee

The details of all the Committees along with their composition, terms of reference and meetings held during the year are provided in the "Report on Corporate Governance" forming part of this Annual Report.

During the Financial Year 2021-22, Company has constituted Preferential issue Committee for the Conversion of warrant into equity.

## VIGIL MECHANISM & WHISTLE BLOWER POLICY

The Company has a vigil mechanism and a whistle blower policy. The same has been posted on the Company's website and the details of the same are given in the **Corporate Governance Report**.



### **POLICIES**

The Company has adopted the various policies in compliance with the provisions of SEBI (LODR) Regulations, 2015 at their duly convened Board meetings held on 29th December, 2015 further Company has adopted the other policies with amendments its Board Meeting held on February 14, 2022:

1. Policy for Determination of Materiality of Disclosures.
2. Policy on Materiality of Related Party Transactions.
3. Adoption of policy on preservation of documents.
4. Adoption of archival policy.
5. Policy on determine materiality of event
6. Risk Management Policy
7. Policy of Material Subsidiaries.

The details of the Policy are available on the website of the Company at [www.pmcfincorp.com](http://www.pmcfincorp.com)

### **NBFC REGISTRATION**

The company has been registered with Reserve Bank of India as Non Banking Finance Company vide Registration No. 12.00128 Dated April 01, 1998. Your Company is categorized as a Non-deposit taking Non-Banking Financial Company. The Company has not accepted any deposit from the public during the year pursuant to the provisions of Section 73 of Companies Act, 2013.

### **TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND**

An amount of ₹3.83 Lacs on account of unclaimed dividend, lying in the separate bank account opened for that purpose has become due but yet to be transferred to Investor Education and Protection Fund.

### **NON-BANKING FINANCIAL COMPANIES AUDITORS REPORT (RBI) DIRECTIONS, 2016**

Pursuant to the Non-Banking Financial Companies' Auditor's Report (Reserves Bank) directions, 2016, a report from the Statutory Auditors to the board of directors has been received by your company. This report has certified that the company has complied with all the directions and prudential norms as prescribed under the RBI Act, 1934.

### **DEMATERILISATION OF SHARES**

Your Company has connectivity with NSDL & CDSL for dematerilisation of its equity shares. The ISIN No. INE793G01035 has been allotted for the company. Therefore, the member and/or investors may keep their shareholding in the electronic mode with their Depository Participates.

### **DIRECTORS AND KEY MANAGERIAL PERSONNEL**

During the Financial year 2021-22, following changes took place in the composition of the Board & Key Managerial Personnel (KMP):

Pursuant to the recommendation of Nomination and Remuneration Committee (NRC), Mr. Prabhat Modi (DIN: 08193181) was appointed by the Board as an Additional Director in the category of Non-Executive Non-Independent Director of the Company for a first term of five consecutive years w.e.f. November 24, 2021. His appointment as an Non-Executive Non-Independent Director was duly approved by the members of the Company at the Extra-Ordinary General Meeting ('EGM') of the Company held on February 24, 2022 and Mr. Abhay Kumar (DIN:0942231) was appointed by the Board as an Additional Director in the category of Non-Executive Independent Director of the Company for a first term of five consecutive years w.e.f. November 24, 2021. His appointment as an Independent Director was duly approved by the members of the Company at the Extra-Ordinary General Meeting ('EGM') of the Company held on February 24, 2022.



Pursuant to the provision of Section 152 of the Companies Act, 2013, ("Act") and articles of association of the Company, Mrs. Rekha Modi (DIN: 01274200) Director of the Company, retires by rotation at the ensuing Annual General Meeting and being eligible, has offer herself for re-appointment. The Board recommended his re-appointment for consideration at the ensuing AGM. As per Secretarial Standard - 2 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), brief profile and other related information of Mrs. Rekha Modi, Director retiring by rotation is provided in the Notice of ensuing AGM.

Ms. Chetna Sajwan resigned from the position of Company Secretary & Compliance Officer of the Company w.e.f. February 02, 2022. Pursuant to the recommendation of NRC Committee, Mr. Kailash was appointed as the Company Secretary & Compliance Officer of the Company w.e.f. February 16, 2022 under Section 203 of the Companies Act, 2013.

As on March 31, 2022, Mr. Raj Kumar Modi, Managing Director, Mr. Chandresh Kumar Sharma, Chief Financial Officer and Mr. Kailash, Company Secretary are the Key Managerial Personnel (KMP) of the Company in terms of Section 203 of the Companies Act, 2013.

All the Independent Directors of the Company have given declarations that they meet the criteria of independence as prescribed under Section 149(6) of the Act and Regulation 16(1)(b) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge duties with an objective independent judgment and without any external influence. The said declarations were taken on record by the Board after assessing due veracity of the same. In the opinion of the Board, all Independent Directors are independent of the management.

Pursuant to Rule 6 of Companies (Appointment and qualification of Directors) Rules, 2014, all Independent Directors of the Company viz. Mr. Yogesh Kumar Garg, Mr. Mahavir Prasad Garg and Mr. Abhay Kumar have registered themselves in the Independent Directors databank maintained with the Indian Institute of Corporate Affairs (IICA). In the opinion of the Board of Directors of the Company, all Independent Directors possess high integrity, expertise and experience including the proficiency required to discharge the duties and responsibilities as Directors of the Company.

#### **NUMBER OF BOARD MEETINGS**

During the financial year 2021-22, Nine (9) Board Meetings were held on April 15, 2021, June 29, 2021, August 13, 2021, August 25, 2021, November 10, 2021, November 24, 2021, January 19, 2022, February 14, 2022 and March 16, 2022. The maximum time gap between any two Board Meetings was not more than 120 days as required under Regulation 17 of the Listing Regulations, Section 173 of the Companies Act, 2013 and Secretarial Standard on Meetings of the Board of Directors. One meeting of Independent Directors were held on February 14, 2022, More details on Board Meetings are provided in the Corporate Governance Report The provisions of Companies Act, 2013 and SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, were adhered to while considering the time gap between two consecutive meetings.

#### **BOARD EVALUATION**

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations And Disclosure Requirements) Regulations 2015, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit, Nomination & Remuneration and Stakeholders' Relationship Committee.

#### **COMPANY'S POLICY ON APPOINTMENT AND REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

Pursuant to Section 178 of the Companies Act, 2013, the Nomination and Remuneration Committee (NRC) has formulated "Nomination and Remuneration Policy" which deals inter-alia with the appointment and remuneration of Directors, Key Managerial Personnel, Senior Management and other employees. The said policy is uploaded on the website of the Company and web-link thereto is:

<https://pmcfincorp.com/wp-content/uploads/2022/06/NRC-Policy-1.pdf>.



The salient features of the policy are as under:

### I. Criteria for appointment:

1. NRC shall identify, ascertain and consider the integrity, qualification, expertise and experience of the person for the appointment as a Director of the Company and recommend to the Board his / her appointment. The Directors shall uphold ethical standards of integrity and probity and shall exercise their duties and responsibilities in the interest of the Company.
2. A person proposed to be appointed as Director should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. They shall possess appropriate core skills/ expertise/ competencies/ knowledge in one or more fields of finance, law, management, and marketing and administration, in the context of business and/or the sector in which the company operates. The NRC has the discretion to decide whether qualifications, expertise and experience possessed by a person are sufficient/ satisfactory for the concerned position.
3. The Company shall comply with the provisions of the Act and Listing Regulations and any other laws if applicable for appointment of Director of the Company. The Company shall ensure that provisions relating to limit of maximum directorships, age, term etc. are complied with.

### II. Remuneration of the Whole Time /Executive Director(s) / Managing Director:

- a. The remuneration including commission payable to the Whole Time /Executive Director(s) / Managing Director shall be determined and recommended by the NRC to the Board for approval.
- b. While determining the remuneration of the Executive Directors, following factors shall be considered by the NRC/ Board:
  - ◆ Role played by the individual in managing the Company including responding to the challenges faced by the Company.
  - ◆ Individual performance and company performance so that remuneration meets appropriate performance benchmarks.
  - ◆ Reflective of size of the Company, complexity of the sector/ industry/company's operations and the Company's financial position.
  - ◆ Consistent with recognized best industry practices.
  - ◆ Remuneration involves balance between fixed and incentive pay reflecting performance objectives appropriate to the working of the Company and its goals.
  - ◆ Remuneration is reasonable and sufficient to retain and motivate directors to run the company successfully.

### III. Remuneration to Non- Executive / Independent Directors:

**Sitting Fees:** Independent Directors are entitled for sitting fees for attending meetings of the Board or Committee of the Board or for any other purposes as may be decided by the Board, of such sum as may be approved by the Board of Directors of the Company within the overall limits prescribed under the Act and the rules made there under, Listing regulations or other applicable law.

### Annual Evaluation of Board Performance and its Committee and Individual Directors

Criteria of performance evaluation of the Board Committees and Directors are laid down by Nomination and Remuneration Committee (NRC) of the Company. Further, pursuant to the provisions of Section 178(2) of the Companies Act, 2013 as amended by the Companies (Amendment) Act, 2017, NRC decided to continue the existing method of performance evaluation through circulation of performance evaluation sheets based on SEBI Guidance Note dated 5th January, 2017 and that only Board should carry out performance evaluation of the Board, its Committees and Individual Directors.





The performance evaluation sheets based on aforesaid SEBI Guidance Note, containing the parameters of performance evaluation along with rating scale was circulated to all the Directors. The Directors rated the performance against each criteria. Thereafter, consolidated score was arrived. Pursuant to the provisions of the Companies Act, 2013 and Listing Regulations, the Board has carried out performance evaluation of its own, evaluation of working of the Committees and performance evaluation of all Directors in the said manner. The performance of the Board, committees and individual directors was found satisfactory.

Meeting of the Independent Directors of the Company was held on February 14, 2022, in which Independent Directors inter-alia reviewed performance of Non-Executive Non Independent Director as Chairman and other Non-Independent Directors and the Board as a whole through performance evaluation sheets.

#### **DISCLOSURES RELATED TO COMMITTEES AND POLICIES**

##### **a. Audit Committee**

The Audit Committee is duly constituted by the Board of Directors of the Company in accordance with the requirements of Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015. The Audit Committee as on March 31, 2022, comprises of:

1. Mr. Mahavir Prasad Garg, Chairperson
2. Mr. Yogesh Kumar Garg, Member
3. Ms. Rekha Modi, Member

During the year under review, the Board of Directors of the Company had accepted all the recommendations of the Committee.

##### **b. Nomination and Remuneration Committee**

The Nomination and Remuneration Committee of Directors is duly constituted by the Board of Directors of the Company in accordance with the requirements of Section 178 of the Companies Act, 2013 & Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Nomination and Remuneration Committee as on March 31, 2022, comprises of the following directors:

1. Mr. Mahavir Prasad Garg, Chairperson
2. Mr. Yogesh Kumar Garg, Member
3. Ms. Rekha Modi, Member

##### **c. Stakeholders Relationship Committee**

The Stakeholders Relationship Committee of Directors is duly constituted by the Board of Directors of the Company in accordance with the requirements Section 178 of the Companies Act, 2013 and Regulation 20 of SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015. The Stakeholders Relationship Committee as on March 31, 2022, comprising the following Directors:

1. Ms. Rekha Modi, Chairperson
2. Mr. Mahavir Prasad Garg, Member
3. Mr. Raj Kumar Modi, Member

Mr. Raj Kumar Modi Managing Director ceased to be the member of the Stakeholder Relationship Committee w.e.f. May 28, 2022. and Mr. Abhay Kumar Non Executive Independent Director appointed as a member in Stakeholder Relationship Committee w.e.f. May 28, 2022.

#### **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013**

The Company, being a Non-Banking Finance Company registered with the Reserve Bank of India and engaged in the business of giving loans, is exempt from complying with the provisions of section 186 of the Companies Act, 2013 in respect of loans and guarantees. Accordingly, the disclosures of the loans given as required under the aforesaid section have not been given in this Report.

Information regarding investments covered under the provisions of section 186 of the said Act are detailed in the Financial Statements.



### PREVENTION OF INSIDER TRADING

The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. The Board is responsible for implementation of the Code.

### RELATED PARTY TRANSACTIONS

Transaction entered with related parties for the year under review were in the ordinary course of business and are placed before the Audit Committee on regular basis. All the transactions entered with related parties do not attract the provisions of Section 188 of the Companies Act, 2013 except one related party transaction which is covered under subsection (1) of section 188 of the Companies Act, 2013, the particulars of said contract or arrangement with related party in the Form AOC-2 is annexed as **Annexure 'I'**.

The Company has put in place a Policy for Related Party Transactions ("RPT Policy"), amended from time to time. The Policy provides for identification of Related Party Transactions ("RPTs"), necessary approvals by the Audit Committee/Board/Members, reporting and disclosure requirements in compliance with the Act and provisions of the Listing Regulations.

Prior approval of Audit Committee is obtained for all Related Party Transactions. A statement of all Related Party Transactions is reviewed by the Audit Committee and Board on quarterly basis.

The said Policy can be accessed on the website of the Company. A policy on materiality of related party transactions and dealing with related party transactions is placed on the Company's website [www.pmcfincorp.com](http://www.pmcfincorp.com).

### FRAUD REPORTING

There was no instance of fraud during the year under review, which required the Statutory Auditors to report to the Audit Committee and/or Board under Section 143(12) of the Act and Rules framed there under.

### DIRECTORS' RESPONSIBILITY STATEMENT

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory, external Auditor and Secretarial Auditor, including audit of internal financial controls, over the financial reporting by the Statutory Auditors and the reviews performed by the Management and the relevant Board committees, including the Audit Committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during the Financial Year ended March 31, 2022.

Accordingly, to the best of knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statement in terms of Section 134(5) of the Companies Act, 2013.

- ❖ that in the preparation of the annual accounts for the year ended March 31, 2022, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- ❖ the Directors had selected such accounting policies as mentioned in the notes to the Financial Statements for the year ended March 31, 2022, have been selected and applied consistently and judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2022 and of the Profit of the Company for the year ended on that date;
- ❖ that the Directors have taken proper and sufficient care has been taken 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 fraud and other irregularities;
- ❖ that the annual financial statements for the year ended March 31, 2022, have been prepared on a going concern basis;
- ❖ that the Directors have laid down internal financial controls to be followed by the Company have been laid down and that the said financial controls were adequate and were operating effectively; and
- ❖ that the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws have been devised and such systems were adequate and operating effectively.



## AUDITORS

### Statutory Auditors and Auditors' Report

In accordance with the Provisions of Section 139 of the Companies Act, 2013, M/s Sunil K. Gupta & Associates, Chartered Accountants FRN No. 002154N Chartered Accountants, were appointed as auditors of the Company to hold office for a period of 5 years i.e. from the conclusion of the 32th Annual General Meeting (AGM) of the Company held on September 23, 2017 upto the conclusion of the 37th AGM of the Company. Accordingly, the first term of existing statutory auditors is ending on the conclusion of ensuing 37th AGM of the Company. However, due to professional pre-occupations, M/s. Sunil K. Gupta & Associates have expressed their unwillingness to be re-appointed as the statutory auditors of the Company for a second term at the ensuing Annual General Meeting.

The Board, on the recommendation of the Audit Committee, recommended for the approval of the Members, the appointment of M/s Pankaj Gupta & Co., Chartered Accountants (Firm Registration No. 019302N), as the Auditors of the Company for a term of Five consecutive years from the conclusion of this Annual General Meeting until the conclusion of 42th Annual General Meeting of the Company.

On the recommendation of the Audit Committee, the Board also recommended for the approval of the Members, the remuneration of INR 1.50 Lakhs (Indian Rupee One Lakh Fifty Thousand only) plus applicable taxes and reimbursement of out of pocket expenses for performing the statutory audit functions of the Company for the financial year 2022-23 with the authority/power in favor of the Board/Audit Committee to modify the terms and conditions, including fixation/ variation of remuneration for remaining tenure of four years, as may be mutually agreed with the auditors of the Company.

The Company has also received written consent and eligibility certificate from M/s. Pankaj Gupta & Co., Chartered Accountants under Section 141 of the Act. M/s. Pankaj Gupta & Co. also holds peer review certificate issued by the Institute of Chartered Accountants of India. The resolution for the appointment of M/s. Pankaj Gupta & Co, Chartered Accountants, as statutory auditors of the Company has been placed at the ensuing AGM for approval of members of the Company.

Appropriate resolution seeking your approval to the appointment and remuneration of the Auditors is appearing in the Notice convening the 37th AGM of the Company. The Board of Directors recommends to the Members to pass the resolution, as stated in Item No. 3 of the Notice, convening the ensuing Annual General Meeting.

The Auditors' Report on the standalone financial statements of the Company for the year ended March 31, 2022 forms part of this Annual Report. The Auditors' Report does not contain any qualifications, reservations, adverse remarks or disclaimer. In terms of the provisions of Section 143(12) of the Act, no frauds have been reported by the Statutory Auditors in their report for the year under review. Notes to the Financial Statements are self-explanatory and do not call for any further comments.

### SECRETARIAL AUDITOR AND SECRETARIAL AUDIT REPORT

Pursuant to the provisions of Section 204 of the Act, read with rules thereunder, the Board at its meeting held on February 14, 2022 has appointed M/s. Ashu Gupta & Co, Practicing Company Secretaries to conduct Secretarial Audit of the Company for the year ended March 31, 2022. The Secretarial Audit Report issued by them in Form No. MR-3 is provided as an "**Annexure II**" to this Report. The Secretarial Audit Report does not contain any qualifications, reservations or adverse remarks.

Further, in terms of the provisions of Regulation 24A of the Listing Regulations of the Circular No. CIR/CFD/CMD1/27/2019 dated February 8, 2019 issued by Securities and Exchange Board of India (SEBI), M/s. Ashu Gupta & Co, Practicing Company Secretaries have issued the Annual Secretarial Compliance Report for the financial year ended March 31, 2022, thereby confirming compliance of the applicable SEBI Regulations and circulars / guidelines issued thereunder by the Company.

### EXPLANATION OR COMMENTS ON QUALIFICATIONS, RESERVATIONS OR ADVERSE REMARKS OR DISCLAIMERS MADE BY THE AUDITORS IN THEIR REPORTS

The Secretarial Audit Report issued by Secretarial Auditors in Form No. MR-3 is provided as an "**Annexure-II**" to this Report. The Secretarial Audit Report does not contain any qualifications, reservations or adverse remarks.



### **INTERNAL AUDITORS**

M/s. KPSP & Associates, Chartered Accountants (FRN: 019471N), who has been appointed as Internal Auditors of the Company in financial year 2019-20 for a period of five years is continuing as internal auditors. Their reports are being reviewed by the Audit Committee from time to time.

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

Your Company maintains adequate internal control system and procedures commensurate with its size and nature of operations. The internal control systems are designed to provide a reasonable assurance over reliability in financial reporting, ensure appropriate authorization of transactions, safeguarding the assets of the Company and prevent misuse/ losses and legal compliances.

The internal control system includes a well-defined delegation of authority and a comprehensive Management Information System coupled with quarterly reviews of operational and financial performance, a well-structured budgeting process and Internal Audit. The Internal Audit reports are periodically reviewed by the management and the Audit Committee and necessary improvements are undertaken, if required.

### **PUBLIC DEPOSITS**

Your Company being a Non-deposit taking Non-Systemically Important NBFC has not accepted or renewed any deposit as covered under Chapter V of the Act read with the Companies (Acceptance of Deposit) Rules, 2014, as amended, from its members or the public during the year under review.

### **RBI GUIDELINES**

The Company continues to comply with all the regulations prescribed by the Reserve Bank of India, from time to time.

### **SUBSIDIARIES COMPANIES, JOINT VENTURES AND ASSOCIATES**

During the year under review, your Company does not have any subsidiaries or joint ventures or associate companies as defined under the Act. However, the Company has framed a policy for determining material subsidiaries, are hosted on the website of the Company [www.pmfincorp.com](http://www.pmfincorp.com) and web-links thereto are given below:

<https://pmfincorp.com/wp-content/uploads/2022/06/Policy-of-Material-Subsidiaries.pdf>

### **CORPORATE GOVERNANCE REPORT**

Your Company has adopted best practices of Corporate Governance and complied with all the requirement of Corporate Governance laid down by SEBI. As per Regulation 34(3) read with Schedule V of the Listing Regulations, a Corporate Governance Report along with Statutory Auditors' Certificate confirming compliance of corporate governance for the year ended March 31, 2022 is provided separately and forms integral part of this Annual Report.

The report also contains the details as required to be provided on the composition and category of directors, number of meetings of the board, composition of the various committees including the audit committee, nomination and remuneration committee, stakeholders relationship committee and corporate social responsibility committee, annual board evaluation, remuneration policy, criteria for board nomination and senior management appointment, whistle blower policy/vigil mechanism, disclosure of relationships between directors inter-se, state of company's affairs, etc. The managing director and the chief financial officer have submitted a certificate to the board regarding the financial statements and other matters as required under regulation 17(8) of the Listing Regulations.

### **MANAGEMENT AND DISCUSSION ANALYSIS REPORT**

Pursuant to Regulation 34 of the Listing Regulations, the Management Discussion and Analysis Report is presented in a separate section forming part of this Annual Report. Your Company's performance, future outlook, opportunities and threats for the year ended March 31, 2022, is provided in a separate section forming integral part of this Annual Report.



## ANNUAL RETURN

Pursuant to the amendments in Section 92(3) of the Companies Act, 2013 read with Rules thereunder and provisions of Section 134(3)(a) of the Act, Annual Returns of the Company for FY 2020-21 and FY 2021-22 are hosted on the website of the Company [www.pmcfincorp.com](http://www.pmcfincorp.com) and web-links thereto are given below:

Annual Return for FY 2020-21: <https://pmcfincorp.com/wp-content/uploads/2022/06/ANNUAL-RETURN-2021.pdf>

Annual Return for FY 2021-22: <https://pmcfincorp.com/wp-content/uploads/2022/07/Mgt-7.pdf>

## CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNING & OUTGO

The Company Operates in a Service Sector as a Non-Banking financial Company (NBFC) and therefore energy consumption is only limited to electricity required for office functioning for administration functions. However, necessary initiatives have been taken by the company from time to time for optimum utilization of energy. Since the conservation impact is minimal, it cannot be quantified.

- A) Technology Absorption - NIL
- B) Foreign Exchange earnings and Outgo - NIL

## POLICY ON PREVENTION, PROHIBITION AND REDRESSAL OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE

As per the requirement of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 read with rules made thereunder, your Company has constituted Internal Complaints Committee which is responsible for redressal of complaints related to Sexual Harassment. During the year under review, there were no complaints pertaining to sexual harassment.

Under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the constitution of ICC (Internal Complaints Committee) is mandatory to the Company as the company has More than 10 (Ten) employees.

However, in order to prevent Sexual Harassment of women at workplace, your Company has adopted a policy for prevention of Sexual Harassment of Women at workplace under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 to look into the complaints relating to sexual harassment at workplace of any woman employee.

During the year under review, your Company has not received any complaint pertaining to Sexual Harassment and no complaint was pending as on March 31, 2022.

## PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

The information required pursuant to Section 197 read with Companies (Appointment and Remuneration of Managerial Personnel), Rules, 2014 is provided as "**Annexure III**" to this report regarding remuneration of Directors, Key Managerial Personnel and other related disclosure.

## SIGNIFICANT OR MATERIAL ORDERS PASSED BY REGULATORS / COURTS

### Order Passed by SEBI

The Securities and Exchange Board of India (SEBI) initiated adjudication proceedings against the company under section 15HA of SEBI Act for alleged violations of section 12A(a), (b), (c) of SEBI Act read with regulation 3(a), (b), (c) and regulation 4(1) of SEBI PFUTP Regulations, 2003. The adjudication proceedings under section 15HA of SEBI Act implied a minimum penalty of INR 5 Lacs and a maximum penalty of INR 25 Crores, or three times the amount of profits, whichever is higher. The adjudicating officer noted in the order that no disproportionate gain or loss to investor was brought. However, despite vigorous defence against the allegations levied by SEBI in its proceedings, a penalty of INR 10 Lacs was imposed on the company. In response, the company has appealed to the Securities Appellate Tribunal (SAT) against the Adjudication Order passed by SEBI.



### **MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY**

There are no material changes and commitments affecting the financial position of the Company (except the litigation as disclosed in Note 28 of the Financial Statements) which have occurred between the end of the financial year 2021-22 and the date of this report.

### **SECRETARIAL STANDARDS**

During the year under review, your Company has complied with all the applicable secretarial standards issued by the Institute of Company Secretaries of India. The same has also been confirmed by Secretarial Auditors of the Company in the Secretarial audit Report.

### **GENERAL**

1. The Company has not made any provisions of money or has not provided any loan to the employees of the Company for purchase of shares of the Company, pursuant to the provisions of Section 67 of Companies Act, 2013 and Rules made thereunder.
2. The provisions of Cost Records and Cost Audit as prescribed under Section 148 of the Companies Act, 2013 are not applicable to the Company.
3. The provisions pertaining to Corporate Social Responsibility (CSR) were not applicable to the Company during the year under review.
4. As required in terms of Secretarial Standard (SS)-4, it is hereby confirmed that there is no corporate insolvency resolution process initiated under the Insolvency and Bankruptcy Code, 2016.

### **ACKNOWLEDGEMENTS AND APPRECIATION**

Your Directors take this opportunity to thank Central and State Governments, customers, suppliers, shareholders and bankers for their consistent support and co-operation to the Company. Your directors also place on record sincere appreciation for the contribution and commitment by all the employees of the Company.

**FOR AND ON BEHALF OF THE BOARD OF DIRECTORS**

**Place :** New Delhi  
**Date :** 28.05.2022

**(REKHA MODI)**  
(Director)  
DIN: 01274200

**(RAJ KUMAR MODI)**  
(Managing Director)  
DIN: 01274171



**Annexure - I**  
**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.**

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at Arm's length basis.

Sl. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	N.A.
b)	Nature of contracts/arrangements/transaction	
c)	Duration of the contracts/arrangements/transaction	
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	
e)	Justification for entering into such contracts or arrangements or transactions'	
f)	Date of approval by the Board	
g)	Amount paid as advances, if any	
h)	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	

2. Details of contracts or arrangements or transactions at Arm's length basis.

SL. No.	Name (s) of the related party & nature of relationship	Nature of contracts/ arrangements/ transaction	Duration of the contracts/ arrangements/ transaction	Salient terms of the contracts or arrangements or transaction including the value, if any	Date of approval by the Board	Amount paid as advances, if any
1.	Rekha Modi (Shareholder-Promoter & Director)	Rent for Corporate office premises	Agreement dated 01st April, 2011 as amended on 01st September, 2015 and December 01, 2021 which is ongoing.	As per the Agreement.	01.12.2021	Nil



Annexure - II To Directors Reports

Form No. MR-3

**SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2022**

*For the financial year ended March 31, 2022*

**[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended]**

To,

The Members,

**PMC FINCORP LIMITED**

B-10, VIP Colony,

Civil Lines Rampur, UP - 244901

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **PMC Fincorp 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 information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic. I hereby report that in my opinion, the Company has during the audit period covering the financial year ended on **March 31, 2022** ('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 for the financial year ended on March 31, 2022 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 thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye laws framed thereunder;
- (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 Borrowings;
- (v) The 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, 2018; (Applicable to the Company during the Audit Period)
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; (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, 2021; (Not Applicable to the Company during the Audit Period) and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (Not Applicable to the Company during the Audit Period);
- (i) Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;
- (vi) Other applicable Law:
  - a) All the Rules, Regulations, Guidelines, Master Circulars applicable to Non-Banking Financial Companies under the RBI Act, 1934;
  - b) Indian Stamp Act, 1899;

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 ("SEBI (LODR), 2015").

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except to the extent as mentioned below:

*There was non-compliance with the requirements of Regulation 17 (1) (c) of SEBI (LODR), Regulations 2015. BSE issued two notice(s) and imposed fine of Rs. 460,000/- plus GST for the period ended September 30, 2021 and Rs. 2,70,000/- plus GST for the quarter ended December 31, 2021, the Company had made appointment of two directors on its Board w.e.f. 24.11.2022 and made representation to the BSE for waiver of the fine.*

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors during the audit period except mentioned above. 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 generally 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.

Decisions at the Board or Committee Meetings were carried out unanimously except in such case where dissent of Director(s) was recorded specifically.

Based on the compliance mechanism established by the company and on the basis of Compliance Certificate(s) issued by the company secretary and taken on record by the Board of Directors at the meeting(s), I am of the opinion that the management has 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.

We further report that during the audit period, there was no other specific event/action in pursuance of the above referred laws, rules, regulations, guidelines, etc. having a major bearing on the Company's affairs except mentioned below:

1. Issuance of 7,00,00,000 Fully Convertible Warrants on Preferential Basis to the Persons Belonging to 'Promoter' and 'Non-Promoter' Category for cash, at an issue price of Rs. 9.90/- (Rupees Nine and Ninety Paise Only) per warrants.

Place: New Delhi  
Date : 25-05-2022

UDIN : F004123D000385878

**Ashu Gupta & Co.**  
Company Secretary in Practice  
FCS No. 4123  
CP No: 6646

**Note: This Report is to be read with our letter of even date which is annexed as Annexure A and forms integral part of this Report.**



To,

The Members,  
**PMC FINCORP LIMITED**  
B-10, VIP Colony,  
Civil Lines, Rampur, UP - 244901

My Report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company 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 secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that processes and practices, I followed provide a reasonable basis of my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of accounts of the company.
4. Whenever required, I have obtained 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 the management. My examination was limited to the verification of procedure on the test basis.
6. The Secretarial Audit report is neither an assurance as to future viability of the company nor of the efficiency and effectiveness with which the management has conducted the affairs of the company.

Place: New Delhi  
Date : 25-05-2022

**UDIN** : F004123D000385878

**Ashu Gupta & Co.**  
Company Secretary in Practice  
FCS No. 4123  
CP No: 6646



Annexure - III

Information required under Section 197 of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

A. Disclosure under Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

S.No	Name of Director & KMP and Designation	Remuneration of Director/ Key Managerial Personnel for the year ended March 31, 2022 (Amount in ₹)	% increase in remuneration in FY 2021-22	Ratio of remuneration of Director to Median Remuneration of Employees
1.	Ms. Rekha Modi Non Executive Director	NIL		NIL
2.	Mr Prabhat Modi Non Executive Director	NIL		NIL
3.	Mr. Yogesh Kumar Garg Independent Director	90,000/-	Refer Note a below	0.45
4.	Mr. Mahavir Prasad Garg Independent Director	90,000/-		0.45
5.	Mr. Abhay Kumar Independent Director	20,000/-		0.10
6.	Mr. Raj Kumar Modi Managing Director	14,96,774/-	Not Applicable	7.56
7.	Ms. Chetna Sajwan Company Secretary & Compliance Officer (upto February 02, 2022)	2,50,000/-		1.26
8.	Mr. Kailash Company Secretary & Compliance Officer w.e.f February 16, 2022	75,000/-		0.38
9.	Mr. Chandresh Kumar Sharma Chief Financial Officer	2,40,000/-		1.21

Notes:

- The remuneration of all Directors of the Company comprises of sitting Fees for attending Board and Committee Meetings. Depending upon the meeting attended by Directors, Sitting Fees are paid in the FY 2021-22 and hence calculation of % increase in remuneration is not applicable.
- During the year ended March 31, 2022, there was no increase in the median remuneration of employees.
- As on March 31, 2022, the Company had 14 Permanent Employees on rolls.
- The median remuneration of employees of the Company during the year was ₹1,98,000/-.
- We affirm that the remuneration paid during the year 2021-22 is as per the Remuneration policy of the Company.



**B. Particulars of Employees as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.**

In terms of proviso to Rule 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the aforesaid particulars shall be made available to any shareholder on a specific request made by him in writing before the date of such Annual General Meeting wherein financial statements for the financial year 2021- 22 are proposed to be adopted by shareholders and such particulars shall be made available by the company within three days from the date of receipt of such request from shareholders.

**C. Employees employed throughout the financial year or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the Company: None**

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Place : New Delhi  
Date : 28.05.2022

(REKHA MODI)  
(Director)  
DIN: 01274200

(RAJ KUMAR MODI)  
(Managaing Director)  
DIN: 01274171



## MANAGEMENT DISCUSSION & ANALYSIS REPORT

### INDUSTRY OVERVIEW

NBFCs have played a vital role in the financial system over the last decade and will continue to do so as India embarks on a journey towards further growth. They complement as well as compete with banks, bringing in efficiency and diversity in the financial intermediary segment. The financial year 2021-22 had been quite a challenging year for the Indian economy and particularly for the financial services sector. As the Indian economy began to recover in second half of FY2021, we as a nation still lost two years of GDP growth. The continued liquidity crunch, uncertain and volatile credit environment and slow economic growth created headwinds. The second (Delta) wave of COVID-19 pandemic in the beginning of FY2022 impacted the businesses and aggravated the prevailing sectoral challenges. Non-Banking Financial Companies (NBFCs), today, are confronted with multiple challenges. The unprecedented business environment has put to test the resilience, prudence and adaptability of any business model. Having said that, the fiscal year has been full of learnings. The Company continues to closely observe the situation.

New waves of COVID-19 such as the ones seen in the first half of FY2022 across many countries resulted in stretched fiscal and monetary policies leaving limited room for any further support to struggling economies. We have since experienced bottoming out of these measures as the world entered new phase of challenges, with inflation on the rise aided by decade long ultra-loose monetary policies, supply disruptions and dynamic geo-political situations. Since Russia's invasion of Ukraine, commodity markets have been in turmoil. Central bankers across the globe have had to shift policy to counter runaway inflation in response.

Although Indian economy is well positioned to counter the risk of rising inflation and geo-political events, challenges remain. Firstly, as the US central bank raises interest rates, emerging market assets such as India, face outflow of capital, putting pressure on the Indian currency and subsequently on the capital markets. Further, as benchmark rates are raised in India and the rest of the world, monetary conditions will tighten and will lead to risk averse approach in investments and lending. This poses challenges for a company like ours, while the higher yields are attractive, they signify higher risks. The middle market lending segment is particularly sensitive to higher rates, as servicing these rates will require businesses to grow at a higher rate, and that seems to be counter cyclical to the objectives of central banks mission to curb demand as they seek to control inflation. With respect to the capital markets, we believe that the one-way rally has ended for now, and the market will experience extreme volatility. On balance, we believe that the India economy is well positioned but faces significant external risks. So, we need to be prepared for the continuous volatility.

### BUSINESS & FINANCIAL PERFORMANCE

The Company being a registered NBFC with the Reserve Bank of India has been engaged in the business of financing activities, investment in Securities of Listed and Unlisted Companies.

Your Company has earned Income from Operation and Profit before Tax aggregated to ₹738.19 Lacs and ₹255.02 Lacs during the current year, respectively as compared to Income ₹543.26 Lacs and Profit ₹243.40 Lacs during the previous year.

### SEGMENT WISE / PRODUCT WISE PERFORMANCE

The Company engaged in investment activities and other financial services during the year under review, hence the requirement of segment-wise reporting is considered irrelevant.



### **OPPORTUNITIES AND THREATS**

Volatility brings both opportunities and threats. Recognising these becomes the key to navigating such times. Among the key risk arising out of the rising interest rate scenario is rise in NPA situation and subdued capital market returns. The middle market lending segment is particularly sensitive to higher rates, as servicing these rates will require businesses to grow at a higher rate, and that seems to be counter cyclical to the objectives of central banks mission to curb demand as they seek to control inflation. It is also estimated that under a severe stress scenario such as the possibility of recession in the US and other developed economies by the end of 2022 would put pressure on the NPA situation. The banks would, thus, need to make higher provisions to cover the stressed assets. This in turn could impair the credit available for investment spending and lending.

We as a Company face systematic risks from these risks but we are committed to addressing these challenges from a position of strength, which emanates from a strong balance sheet; having sufficient cash and other resources at our disposal. This enables us to absorb any market risks arising out of these volatile times while at the same time taking advantage of opportunities in times of distress. We are committed to keep developing agile execution capabilities, robust early warning systems and extensive use of analytics for risk mitigation and resource allocation. This will enable us to take advantage of the tailwinds that may emerge during the course of the year. We believe that with a strong and stable government at centre, the capital market offers attractive investment opportunities for longer term as external shocks are mitigated through robust and expansionary policies further enhancing India's position among global peers.

### **RISK AND CONCERN**

Risk is synonymous with NBFCs as it is inherent part of their business. Your Company is also subjected to various types of such risks and proactively works towards identifying and guarding itself against these risks by adopting a range of strategies and measures to reduce their impact.

The very nature of the Company's business makes it subject to various kinds of risks. The Company encounters credit risk and operational risks in its regular business operations. Further the performance of the Company is dependent on the market conditions. Even though it is envisaged that Indian stock market will continue to do well, global concerns can result in short term systematic risks.

### **HUMAN RESOURCES**

The Company recognizes that employees are its direct assets and their engagement contributes to lower turnover and absenteeism, higher productivity and better customer service.

The Company's future success depends substantially on the continued service and performance of members of its management team and employees. There is intense competition for experienced senior management and other qualified personnel, particularly office managers, field executives and employees with local knowledge in client procurement, loan disbursement and instalment collections. Inability to hire additional or retain existing management personnel and employees, may impair the company's ability to expand its business and adversely affect its revenue. Failure to train and motivate its employees properly may result in an increase in employee attrition rates, require additional hiring, divert management resources, adversely affect its origination and collection rates, increase the Company's exposure to high-risk credit and impose significant costs.

The Company has taken several actions to ensure that the talent pipeline for the Company is strong especially when it comes to key management positions. The Company also has a strong focus on ensuring that its employees are adequately trained in their job functions and on all compliance related trainings.



## INTERNAL CONTROL AND THEIR ADEQUACY

The Company always implements adequate system of internal controls to ensure accuracy of accounting records, compliance with all laws & regulations and compliance with all rules, procedures & guidelines prescribed by the management. An extensive internal audit is carried out by independent firm of Chartered Accountants. Post audit reviews are also carried out to ensure follow up on the observations made.

## OUTLOOK

The fundamentals of India's economy remain robust, and the service sector is catching up. This is further backed by the corporate sector's improved performance, as evidenced by the uptrend witnessed in the quarterly results. India is expected to witness a GDP growth of 7.2% in FY 2022-23.

The Government's substantial capital spending program, as envisaged in the Union Budget 2022 along with a healthy financial system, is well-positioned to attract private investment by reviving economic activity and boosting demand. The Indian economy is buoyed by significant Foreign Exchange reserves which exceed its level of external debt, placing it favourably. Furthermore, with the Central Banks Globally as well as in India engaging in gradual and calibrated withdrawal of liquidity, this would foster growth in a non-disruptive manner. However, the impacts of further outbreak of Covid-19 and its variants and the ongoing geopolitical crisis owing to the Russia-Ukraine war needs to be monitored closely. The effect of mark to market profit / losses thereon have been taken into account in the Statement of Profit and Loss for the year. The Company believes that it has taken into account the impact of known events arising out of COVID-19 pandemic in the preparation of financial results resulting out of fair valuation of these investments.

Going forward, NBFCs would begin FY 2022-23 with enough capital buffers, consistent profitability, and considerable on Balance Sheet provisioning, as well as sufficient system liquidity to protect against additional Covid-19 outbreaks and geo-political risks. These impacts would remain to be seen once the Financial Stability Report is released by the RBI for the full year. The NBFC sector's AUM is predicted to increase by 6% to 7% in FY 2021-22 and by 9% to 10% in FY 2022-23. The impacts of the pandemic are fading and Covid-19 limitations being relaxed internationally, putting NBFCs on a growth path. Furthermore, as the world's fastest growing economy, India's rise across all sectors would create a large demand for loans. (Source: CRISIL NBFC Report 2021, Ind-Ra Research)

## CAUTIONARY STATEMENT

The statements in the "Management Discussion and Analysis Report" section describes the Company's objectives, projections, estimates, expectations and predictions, which may be "forward looking statements" within the meaning of the applicable laws and regulations. The annual results can differ materially from those expressed or implied, depending upon the economic and climatic conditions, Government policies and other incidental factors.



## CORPORATE GOVERNANCE REPORT

This Report states the compliance status of the Company as per the requirements of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time (hereinafter referred as "SEBI LODR, 2015"), for the Financial Year 2021-22 as to be made by the Listed entities in Corporate Governance section of the Annual Report as prescribed under Part C of Schedule V of the said Regulations.

### **1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE**

Company is fully committed in practicing sound corporate governance and upholding the highest business standards in conducting business. Being a value-driven organization, the Company has always worked towards building trust with the stakeholders. We, at PMC Fincorp Limited follow principles of good corporate governance, viz., integrity, equity, transparency, fairness, disclosure, accountability and commitment to values. These core values are central to the business philosophy of the Company and act as the guiding inspiration for the day-to-day business operations. The Company strives to be a customer-first, quality-obsessed, socially-sensitive corporate entity. The Company believes that timely disclosures, transparent accounting policies and a strong and independent Board go a long way in protecting the shareholders' interest while maximizing long term corporate values. Responsible corporate conduct is integral to the way we do our business. Our actions are governed by our values and principles, which are reinforced at all levels within the Company. Board of Directors. Keeping in view the above philosophy, the Corporate Governance at PMC Fincorp Limited is based on the following main principles & practices:

- ◆ Timely and balanced disclosures of all material information on operational and financial matters to the Stakeholders;
- ◆ Proper composition of the Board of Directors, size, varied experience and commitment to discharge their responsibilities;
- ◆ Full adherence and compliances of laws, rules and regulations;
- ◆ Timely and balanced disclosures of all material information on operational and financial matters to the Stakeholders;
- ◆ Clearly defined management performance and accountability;
- ◆ Well-developed internal control, systems and processes, risk management and financial reporting;
- ◆ Enhanced accuracy and transparency in business operations, performance and financial position.

### **2. BOARD OF DIRECTORS**

The Composition of Board of Directors of the Company is in accordance with the Companies Act, 2013 and Regulation 17 of the SEBI LODR, 2015. Our Company has an appropriate combination of Executive, Non-Executive and Independent Directors.

Our Company's directors are highly experienced professionals in their respective functional areas and provide directions to the management on operational issues, adoption of systems and best practices in management and oversight of compliance of various legal and other requirements. The members of our Board are from diverse backgrounds with exceptional skills and experience in critical areas like Stock Market, finance, entrepreneurship and general management. The Board reviews its strength and composition from time to time to ensure that it remains aligned with the statutory as well as business requirements.

The Company believes that an active and well-informed Board is necessary to ensure highest standards of corporate governance. All statutory and other significant and material information are placed before the Board to enable it to discharge its fiduciary duties keeping in mind the interests of all its stakeholders and the Company's corporate governance philosophy.

The Board of Directors complies with the provisions of SEBI LODR, 2015 and Companies Act, 2013 in regard to the meetings of the Board and Committees thereof. The Management and Board of the Company continuously and actively supervise the arena of Corporate Strategy, planning, external contracts and other board matters on continual basis. The Senior Management Personnel heading separate divisions are responsible for day to day operations of their respective divisions.





**a) Board Composition**

The Board of Directors ('Board') has an optimum combination of Executive and Non-Executive Directors, representing a blend of professionalism, knowledge and experience. The size and composition of the Board meet the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'). As on March 31, 2022, the Board comprises of 6 Directors out of which 1 is Executive Director, 2 are Non-Executive Non- Independent Directors including one Woman Director and 3 are Non-Executive Independent Directors. All Directors are competent and experienced personalities in their respective fields.

The Independent Directors neither have any pecuniary relationship or transactions with the company, nor with the promoters, and management, which may affect independence or judgment of the directors in any manner. All the Independent Directors have satisfied the criteria/conditions of independence as laid down in Regulation 16(1)(b) of the SEBI LODR, 2015 and Section 149(6) of Companies Act, 2013. The Independent Directors have confirmed that they have registered their names in the databank maintained with the Indian Institute of Corporate Affairs ('IICA'). The Board periodically evaluates the need for change in its composition.

Pursuant to Section 164(2) of the Act, all the Directors have also provided annual declarations that they have not been disqualified to act as Directors. The number of Directorship(s), Committee Membership(s) / Chairmanship(s) of all Directors is within respective limits prescribed under the Act and SEBI LODR, 2015 as amended from time to time. The Board is headed by Mr. Raj Kumar Modi, Managing Director of the Company.

The composition of the Board, details of other directorships and Committee positions as on March 31, 2022 are given in the table below:

Name and Designation	DIN	Category	No. of Directorship held in Other Public Companies	Number of Directorships held in other Listed companies along with nature of Directorship	No. of Chairmanship Membership in Board Committees @	
					Member	Chairman
<b>Ms. Rekha Modi</b> Non-Executive Non Independent Director, Chairman	01274200	NENID	2	NIL	1	1
<b>Mr. Raj Kumar Modi</b> Managing Director	01274171	MD	2	NIL	1	—
<b>Mr. Prabhat Modi</b> Non Executive Non Independent Director	08193181	NENID	1	NIL	—	—
<b>Mr. Yogesh Kumar Garg</b> Independent Director	02144584	ID	—	NIL	1	—
<b>Mr. Mahavir Prasad Garg</b> Independent Director	00081692	ID	—	NIL	1	1
<b>Mr. Abhay Kumar</b> Independent Director	09412231	ID	—	NIL	—	—

**Abbreviations:** MD = Managing Director, ID = Independent Director, NENID = Non-Executive Non-Independent Director

@ Only Membership / Chairmanship of Audit Committee and Stakeholders' Relationship Committee of listed and unlisted public limited companies including PMC Fincorp Limited are considered. Further, number of Memberships does not include number of Chairmanships.



### Notes:

Number of Directorships held in other public companies excludes Directorship of PMC Fincorp Limited, Directorships in private companies, deemed public companies, foreign companies and companies under Section 8 of the Companies Act, 2013 (earlier Section 25 of the Companies Act, 1956) and alternate Directorships.

Memberships or Chairmanships of the stipulated Board Committees held by all Directors are within the limit specified under Regulation 26 (1) of the Listing Regulations. Further, none of the Directors hold Directorships in more than 20 Companies including 10 Public Companies pursuant to the provisions of Section 165 of the Companies Act, 2013.

Further, the other directorships held by all Directors including Independent Directors are within the limit prescribed under Listing Regulations.

During the year under review, All Independent Directors of the Company fulfill the criteria of Independence as specified under Section 149 (6) of the Companies Act, 2013 and Regulation 16(1) (b) of the Listing Regulations and have furnished declaration of independence to that effect pursuant to Section 149 (7) of the Companies Act, 2013 and Regulation 25(8) of the Listing Regulations. The said declarations of independence were reviewed and taken on record by the Board and in the opinion of the Board, all Independent Directors of the Company fulfill the criteria of independence and all conditions specified in the Listing Regulations and are independent of the management.

#### b) Independent Director

The Non-Executive Independent Directors fulfill the conditions of independence specified in Section 149(6) of the Companies Act, 2013 and Rules made there under and meet with requirement of Regulation 16 of the SEBI Listing Regulations and are independent of Management. A Formal letter of appointment to Independent Director as provided in Companies Act, 2013 and SEBI Listing Regulations has been issued and disclosed on the website of the Company a [www.pmcfincorp.com](http://www.pmcfincorp.com). The Non-Executive Independent Directors fulfill the conditions of independence specified in Section 149(6) of the Companies Act, 2013 and Rules made there under and meet with requirement of Regulation 16 of the SEBI Listing Regulations and are independent of Management.

#### c) Separate Meeting of Independent Directors

In compliance with Regulation 25(3) of the Listing Regulations, a separate meeting of the Independent Directors of the Company was held on February 14, 2022, all the three Independent Directors of the Company existing as on the date and time of meeting attended the meeting. At the said meeting, Independent Directors discussed and evaluated performance of the Chairman, other Non-Executive Non-Independent Directors, the Board and its various committees as a whole and also assessed the quality, quantity and timeliness of flow of information between the management of the Company and the Board that is necessary for the Board to effectively and reasonably perform its duties.

#### d) Familiarization Programme

Your Company has in place Familiarization Programme for the Independent Directors to familiarize them about the Company and their role, rights and responsibilities in the Company. At the time of appointment of a Director (including Independent Director), a formal letter of appointment is given to them, which inter alia explains the role, function, duties and responsibilities expected from them as Directors of the Company. The draft letter of appointment containing terms and conditions of their appointment is available on the website of the Company [www.pmcfincorp.com](http://www.pmcfincorp.com). The Director is also explained the compliances required from him/her under the Companies Act, 2013, Listing Regulations and other applicable laws. The Chairman also does one to one discussion with the newly appointed Directors to familiarize them with the Company's operations. On the request of the individual director, site visits to plant locations are also organized by the company for the directors to enable them to understand the operations of the Company. Further, on an ongoing basis as a part of Agenda of Board meetings, discussions are made on various matters inter alia covering the Company's business and operations, Industry and regulatory updates etc.



The Familiarisation Programme and details of Familiarization Programme imparted during 2021-22 are uploaded on the website of the Company [www.pmcfincorp.com](http://www.pmcfincorp.com) can be accessed through web-link: <https://pmcfincorp.com/wp-content/uploads/2022/05/familiarization-programme-imparted-to-ID.pdf>

**e) Matrix of skills/competence/expertise of Directors**

The following matrix summarizes list of core skills/ expertise/competencies identified by the Board as required in the context of its business and the sector in which the Company operates.

The following is the list of core skills / expertise / competencies identified by the Board of Directors as required in the context of the Company's business and the board along with the names of the Directors, who possess such skill/expertise/ competence, are given below:-

**Board Competency Matrix**

- i) **Business & Industry:** Knowledge on Company's businesses, policies and culture (including the Mission, Vision and Values) major risks / threats and potential opportunities and knowledge of the industry in which the Company operates.
- ii) **Behavioural skills:** attributes and competencies to use their knowledge and skills to contribute effectively to the growth of the Company.
- iii) **Financial Expertise:** Financial and risk management, Internal control, Experience of complex financial reporting processes, capital allocation, resource utilisation, Understanding of Financial policies and accounting statement and assessing economic conditions.
- iv) **Technical & Professional skills:** attributes and competencies to use their knowledge and skills to contribute effectively to the growth of the Company.
- v) **Governance & Compliance:** developing governance framework, serving the best interests of all stakeholders, driving board and management accountability, building long-term effective stakeholder engagements and sustaining corporate ethics and values.

S.No	Name of the Director	Skills
1.	Ms. Rekha Modi	Business & Industry, Behavioural skills, Financial Expertise, & Professional skills and Governance & Compliance
2.	Mr. Raj Kumar Modi	Business & Industry, Behavioural skills, Financial Expertise, Stock Market & Professional skills and Governance & Compliance
3.	Mr Prabhat Modi	Business & Industry, Behavioural skills, Financial Expertise, Stock Market & Professional skills and Governance & Compliance
4.	Mr. Yogesh Kumar Garg	Business & Industry, Behavioural skills, Financial Expertise, Stock Market & Professional skills and Governance & Compliance
5.	Mr. Mahavir Prasad Garg	Business & Industry, Behavioural skills, Financial Expertise, Stock Market & Professional skills and Governance & Compliance
6.	Mr. Abhay Kumar	Business & Industry, Behavioural skills, Financial Expertise, and Professional skills

The Company's Board comprises of qualified members, who possesses aforesaid knowledge, experience, technical skills, expertise and competencies for effective contribution to the Board and its Committees. Details of the skills/ expertise/ competencies possessed by the Directors who were part of the Board as on March 31, 2022.



**f. Board Meetings**

The Board meets at regular intervals to discuss and decide on business strategies/policies and review the financial performance of the Company. The Board Meetings are pre-scheduled and a tentative annual calendar of the Board is circulated to the Directors well in advance to facilitate the Directors to plan their schedules. In case of business exigencies, the Board's approval is taken through circular resolutions. The circular resolutions are noted at the subsequent Board meeting.

The notice, agenda along with the relevant notes, documents and other material information are sent in advance separately to each Director by physical/electronic mode and in exceptional cases tabled at the meeting. This ensures timely and informed decisions by the Board. The Board reviews the performance of the Company.

During the Financial Year 2021-22, Nine (9) Board Meetings were held on April 15, 2021, June 29, 2021, August 13, 2021, August 25, 2021, November 10, 2021, November 24, 2021, January 19, 2022, February 14, 2022 and March 16, 2022 through Physically in accordance MCA and SEBI circulars and the maximum time gap between any two consecutive Board Meetings of the Company did not exceed 120 days.

Sr. No.	Name of the Directors	Attendance Particulars During the period April 01, 2021 to March 31, 2022		Whether attended last AGM held on September 25, 2021
		No. of Board Meeting held	No. of Board Meeting Attended	
1.	Ms. Rekha Modi	9	9	Yes
2.	Mr. Raj Kumar Modi	9	6	Yes
3.	Mr Prabhat Modi	9	4	No
4.	Mr. Yogesh Kumar Garg	9	9	Yes
5.	Mr. Mahavir Prasad Garg	9	9	Yes
6.	Mr. Abhay Kumar	9	4	No

During the year under review, Mr. Prabhat Modi was appointed Non-Executive Non Independent Director on the Board w.e.f. November 24, 2021 and Mr. Abhay Kumar was appointed Non-Executive Independent Director on the Board w.e.f. November 24, 2021, they attended 4 meetings of the Board during the Financial Year 2021-22.

The details of the Shareholding of Directors as on March 31, 2022 are as follow:

S.No	Name of Directors	No of Shares	Percentage (%) of Holding
1.	Mr. Raj Kumar Modi	16,20,000	0.303%
2.	Ms. Rekha Modi	86,40,000	1.618%
3.	Mr. Mahavir Prasad Garg	16,200	0.003%

Except the equity shares as stated above no other director holds any equity shares of the Company and Company has not issued any convertible instruments.

**Annual General Meeting**

Due to outbreak of novel coronavirus (COVID-19) pandemic and the need to follow social distancing measures to contain the spread of COVID-19, MCA vide General Circular No. 20/2020 dated 5 May, 2020 read with circulars dated April 09, 2020, April 13, 2020 and May 05, 2022 and as such there is no requirement to have a venue for the AGM allowed Companies to conduct their Annual General meetings (AGMs) through Video Conferencing (VC) or other audio visual means (OAVM) during the calendar year 2021 subject to certain conditions specified in said circular. Accordingly, 36th AGM of the Company was held through VC.



**g. Intimation given to the Board**

The notice, agenda along with the relevant notes, documents and other material information are sent in advance separately to each Director by physical/electronic mode and in exceptional cases tabled at the meeting. This ensures timely and informed decisions by the Board. The Board reviews the performance of the Company.

**h. Board Meetings Procedure**

In order to ensure maximum presence of all Directors in the Board Meeting, dates of the Board Meetings are fixed in advance after consultation with individual directors and consideration of their convenience. The agenda papers along with relevant explanatory notes and supporting documents are circulated within prescribed time to all Directors.

Apart from any specific matter, the Board periodically reviews routine business items which includes approval of financial results along with Auditors review report, Action Taken Report on the decisions taken in previous meetings of the Company, minutes of committee meetings, quarterly corporate governance report, statement of investor complaints, shareholding pattern, compliance report on all laws applicable to the Company, annual financial statements, capital expenditure and other matters placed before the Board pursuant to Part A of Schedule II of Listing Regulations.

**i. Board Support**

The Company Secretary attends the Board/Committee meetings and advises on Compliances with applicable laws and governance.

**3 BOARD COMMITTEES**

In compliance with the SEBI LODR, 2015 and to focus effectively on the issues and ensure expedient resolution of the diverse matters, the Board has constituted various committees with specific terms of reference and scope. The committees operate as empowered agents of the Board as per their charter/terms of reference. Constitution and charter of the board committees are given herein below:

**A. Audit Committee**

**(a) Terms of reference**

The primary objective of the Audit Committee is to monitor and provide effective supervision of the management's financial reporting progress with a view to ensuring accurate timely and proper disclosures and transparency, integrity and quality of financial reporting. The Committee oversees the work carried out by the management, internal auditors on the financial reporting process and the safeguards employed by them.

The terms of reference of the Audit Committee covers matters specified under Part C of Schedule II of Listing Regulations and Section 177 of the Companies Act, 2013 as amended from time to time. The terms of reference of Audit Committee inter alia includes following matters:

**Financial Reporting and Related Processes**

- ❖ Oversight of the Company's financial reporting process and disclosure of its financial information.
- ❖ Reviewing with the Management the quarterly unaudited financial results and Auditors Review Report thereon and make necessary recommendation to the Board.



- ❖ Reviewing with the Management audited annual financial statements and Auditors' Report thereon and make necessary recommendation to the Board This would, inter alia, include reviewing changes in the accounting policies, if any, major accounting estimates based on exercise of judgment by the Management, significant adjustments made in the financial statements arising out of audit findings, disclosure of related party transactions, compliance with legal and other regulatory requirements with respect to the financial statements.
- ❖ Reviewing the Management Discussion & Analysis of financial and operational performance and Board's Report.
- ❖ Scrutiny of inter-corporate loans and investments.
- ❖ Recommendation of appointment, remuneration and terms of appointment of auditors of the Company.

### **Internal Controls and Governance Processes**

- ❖ Review the adequacy and effectiveness of the Company's internal control system. Evaluation of Internal
- ❖ Financial Controls and risk Management Systems, Review and discuss with management, the Company's major financial risk exposures and steps taken by the Management to monitor and control such exposure.
- ❖ Review adequacy of internal audit function, internal audit reports and discussion with Internal Auditors on significant findings and follow-up thereon.
- ❖ To oversee and review the functioning of a Vigil Mechanism / Whistle Blower Policy
- ❖ Approval of Related Party Transactions (RPT) or any subsequent modifications of RPT and review of RPT on quarterly basis.
- ❖ Approval of appointment of Chief Financial Officer

### **Audit & Auditors**

- ❖ Review and monitor Auditor's Independence and performance and effectiveness of Audit process.
- ❖ Reviewing with the management, performance of internal and statutory auditors, adequacy of internal control systems.
- ❖ Review the scope of the Statutory Auditor, the Internal Audit Plan with a view to ensure adequate coverage.
- ❖ Review the significant audit findings from the statutory and internal audits carried out, the recommendations and Management's response thereto.
- ❖ Review and recommend to the Board, appointment, remuneration and terms of appointment of the Auditors including Internal Auditors.
- ❖ Approval of such other services to be rendered by the Statutory Auditors except those enumerated in Section 144 of the Companies Act, 2013 and payment for such services.

### **(b) Composition and Meetings**

During the year under review, there has been no change in the composition of Audit Committee. As on March 31, 2022, the Audit Committee comprises of 3 Directors / Members out of which 2 are Independent Directors. Mr. Mahavir Prasad Garg, Chairman of the Audit Committee is a Company Secretary and Law Graduate and all the Members of the Audit Committee are professionals, experienced and possess sound knowledge of finance and accounting practices.



During the Financial Year 2021-22, Six (6) Audit Committee Meetings were held on April 15, 2021, June 29, 2021, August 13, 2021, August 25, 2021, November 10, 2021 and February 14, 2022 and the maximum time gap between any two consecutive Audit Committee Meetings of the Company did not exceed 120 days.

The composition and the attendance of members at the meetings held during the financial year ended March 31, 2022 are given below:

Name of Directors	Position	Attendance at the Audit Committee Meetings	
		Meetings held	Meeting Attended
Mr. Mahavir Prasad Garg	Chairman	6	6
Mr. Yogesh Kumar Garg	Member	6	6
Ms. Rekha Modi	Member	6	6

Mr. Kailash Company Secretary cum Compliance Officer acts as the Secretary to the Audit Committee w.e.f. February 16, 2022.

Ms. Chetna Sajwan resigned from the position of Company Secretary & Compliance Officer of the Company w.e.f. February 02, 2022. Mr. Kailash was appointed as the Company Secretary & Compliance Officer of the Company w.e.f. February 16, 2022

Mr. Mahavir Prasad Garg, Chairman of Audit Committee was present for last AGM held through VC/OAVM on September 25, 2021.

The partner of the Statutory Auditors, Internal Auditors and Chief Financial Officer are invitees to the Audit Committee Meetings. The Company Secretary acts a Secretary to the Audit Committee and attends all the meetings.

## B. Stakeholders' Relationship Committee

### (a) Composition and Meetings

The Stakeholders' Relationship Committee is constituted in line with the provisions of Part D of Schedule II and Regulation 20 of SEBI LODR, 2015 read with section 178 of the Companies Act, 2013. The Committee is responsible for assisting the Board of Directors in resolving the grievances of the security holders including complaints related to transfer of shares, non-receipt of annual report and non-receipt of declared dividends, if any.

During the year under review, As on March 31, 2022, the Stakeholders' Relationship Committee (SRC) consists of 3 Directors / Members viz. Ms. Rekha Modi, Non- Executive Non Independent Director as Chairman, Mr. Mahavir Prasad Garg as Non-Executive, Independent Director and Mr. Raj Kuamr Modi, Managing Director as members of the SRC.

During the Financial year 2021-22, the Committee met Six (6) times i.e. on April 15, 2021, June 29, 2021, August 13, 2021, August 25, 2021, November 10, 2021 and February 14, 2022.

On May 28, 2022, Mr. Raj Kumar Modi ceased to be the member from Stakeholders Relationship Committee (SRC) and Mr. Abhay Kumar appointed as a member in Stakeholders Relationship Committee (SRC).

### (b) Terms of reference

The role of the Stakeholders Relationship Committee ("SRC") inter alia includes terms of reference as specified in Point B of Part D of Schedule II of Listing Regulations as under:

1. Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc;



2. Review of measures taken for effective exercise of voting rights by shareholders;
3. Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent; and
4. Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.

### (c) Investor Complaints

Your Company takes all effective steps to resolve complaints from shareholders of the Company. The Complaints are duly attended by the Company/ Registrar & Transfer Agent and the same are resolved within prescribed time.

During the year under review Company has not received any complaint from its shareholders, No complaint was pending as on March 31, 2022.

#### Compliance Officer

Ms. Chetna Sajwan, was Company Secretary and the Compliance Officer upto February 2, 2022 and Mr. Kailash was appointed as the Company Secretary & Compliance Officer of the Company w.e.f. February 16, 2022.

The composition and attendance of the members of the Stakeholders Relationship Committee at the meetings held during the financial year ended March 31, 2022 are given below:

Name of Directors	Position	Attendance at the Stakeholder Relationship Committee Meetings	
		Meetings held	Meeting Attended
Ms. Rekha Modi	Chairman	6	6
Mr. Raj Kumar Modi	Member	6	3
Mr. Mahavir Prasad Garg	Member	6	6

Mr. Abhay Kumar, Non-Executive Independent Director become a member of the Stakeholder Relationship committee w.e.f. May 28, 2022.

Stakeholders Relationship Committee was reconstituted on May 28, 2022 as follows:

1. Ms. Rekha Modi was appointed as Chairperson of the Committee
  2. Mr. Mahavir Prasad Garg was appointed as member of the Committee
  3. Mr. Abhay Kumar was appointed as member of the Committee
- ◆ Ms. Rekha Modi, Chairperson of the Stakeholders Relationship Committee attended the previous Annual General Meeting held on September 25, 2021 for answering the shareholder's queries.

### C. Nomination and Remuneration Committee

#### (a) Brief description of terms of reference

The terms of reference of the Nomination and Remuneration Committee ("NRC") includes the matters stipulated in Point-A of Part D of Schedule II of the Listing Regulations and Section 178 of the Companies Act, 2013 as under:

- ❖ Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration of the Directors, Key Managerial Personnel (KMP) and other employees.
- ❖ Lay down criteria for identifying and selection of candidates for appointment as Directors/ Independent Directors and KMP and other Senior Management positions;
- ❖ Recommendation to the Board about appointment, re- appointment, removal of Directors, Senior Management Personnel and KMP in accordance with the criteria laid down.
- ❖ Recommendation to the Board on remuneration payable to the Directors of the Company.





- ❖ Formulation of the criteria for evaluation of performance of every Director and carry out performance evaluation of Directors and to recommend to the Board on whether to extend or continue the term of appointment of Independent Director.
- ❖ Devising a policy on Board Diversity.
- ❖ Recommendation to the board, all remuneration, in whatever form, payable to senior management.
- ❖ All other duties, responsibilities as defined under section 178 of the Companies Act, 2013 & Regulation 19 read with part D(A) of Schedule II of the SEBI LODR, 2015.

**(b) Composition, Meetings and Attendance**

During the year under review, there has been no change in the composition of Nomination and Remuneration Committee. As on March 31, 2022, NRC comprises of 3 Directors/Members in which out of Two are Non-Executive Independent Director and one is Non- Executive Non Independent Director as member.

Pursuant to the provisions of Regulation 19 read with Part D of the SEBI LODR, 2015, it is mandatory to hold one NRC meeting in a financial year.

The committee met Three (3) times i.e. on April 15, 2021, November 24, 2021 and February 14, 2022. The composition and the attendance of members at the meetings held during the financial year ended March 31, 2022 are given below:

Name of Directors	Position	Attendance at the Nomination and Remuneration Committee Meetings	
		Meetings held	Meeting Attended
Mr. Mahavir Prasad Garg	Chairman	3	3
Mr. Yogesh Kumar Garg	Member	3	3
Ms. Rekha Modi	Member	3	3

Due to personal reason Ms. Chetna Sajwan resigned from the position of Company Secretary & Compliance Officer of the Company w.e.f. February 02, 2022. Mr. Kailash was appointed as the Company Secretary & Compliance Officer of the Company w.e.f. February 16, 2022.

**(c) Nomination and Remuneration Policy**

Pursuant to Section 178 of the Companies Act, 2013, NRC has formulated “Nomination and Remuneration Policy” which deals inter alia with nomination and remuneration of Directors, Key Managerial Personnel, and Senior Management.

The said policy is uploaded on the website of the Company and web-link thereto is:

<https://pmcfincorp.com/wp-content/uploads/2022/06/NRC-Policy-1.pdf>

**(d) Criteria for evaluation of Independent Directors**

NRC has formulated following criteria for Performance evaluation of Independent Directors:

1. Participation at Board /Committee Meetings
2. Contributions at Meetings
3. Knowledge and skills
4. Discharging Role, Functions and Duties
5. Personal Attributes

More information on performance evaluation is given in the Board's Report.

**4. Remuneration of Directors**

- (i) The details Remuneration of Mr. Raj Kumar Modi, Managing Director for the Financial Year 2021-22 are as under:

Remuneration	Amount (in Rs.)
1. Basic Salary	14,96,774
2. Perquisites and other Allowances	—

**(ii) Remuneration of Non-Executive Directors**

Details of sitting fees paid to Non-Executive Directors of the Company for the financial year ended March 31, 2022 are as under:

Name of the Director	Remuneration for the Financial Year ended March 31, 2022 (Amount in Rs.)	No. of equity shares of the Company held by Non-Executive Directors
	Sitting Fees	
Mr. Mahavir Prasad Garg	90,000	16,200
Mr. Yogesh Kumar Garg	90,000	NIL
Ms. Rekha Modi*	—	86,40,000
Mr. Abhay Kumar#	20,000	NIL

\* Ms. Rekha Modi had voluntarily decided not to take the sitting fees for attending Board and other Committee Meetings of the Company.

# Mr. Abhay Kumar has appointed Independent Director in the Company w.e.f. November 24, 2021

**Notes:**

1. There is no separate provision for payment of severance fees.
2. There are no variable components and performance linked incentives.
3. There are no pecuniary relationships or transactions between Non-Executive Directors and the Company during the year 2021-22.
4. The Company does not have any Employee Stock Option Scheme.

**5. General body Meetings****a) Annual General Meetings:**

During the preceding three years, the Annual General Meetings of the Company were held on the following dates, time and venue.

AGM	Date	Time	Venue of the Last Three AGMs	Special Resolution(s) passed
34th	September 28, 2019	12.30 P.M.	MoodFood Restaurant, Opposite Ambedkar Park, Civil Lines, Rampur, (U.P.)	Appointment of Mr. Mahavir Prasad Garg (DIN: 00081692) as Non-Executive Independent Director in the AGM held on 28.09.2019
35th	September 25, 2020	11.00A.M.	Video Conferencing ("VC")/ Other Audio Visual Means [(OAVM)] VC Platform - provided by NSDL	Appointment of Mr. Yogesh Kumar Garg (DIN:02144584) as Non-Executive Independent Director in the AGM held on 25.09.2020 Re-appointment of Mr. Raj Kumar Modi as Managing Director of the Company for a period of 5 years w.e.f. 31st October, 2020 till 30th October, 2025 in the AGM held on 25.09.2020
36th	September 25, 2021	2.30 P.M.	Video Conferencing ("VC")/ Other Audio Visual Means [(OAVM)] VC Platform - provided by NSDL	NIL



- b) **Extraordinary General Meeting:** Extraordinary General Meeting was held on February 24, 2022 during the year.
- c) **Postal Ballot:** No Postal Ballot was conducted during the year under review. At present, there is no proposal to pass any resolution through postal ballot.

## 6. Means of Communication

**Website:** The Company's website [www.pmcfincorp.com](http://www.pmcfincorp.com) contains the updated information pertaining to quarterly, half-yearly and annual financial results, shareholding pattern, important announcements made to the stock exchanges, intimation of board meeting dates, newspaper, advertisements etc. The said information is available in a user friendly and downloadable form in "Investor-relation" of website of the Company.

**Financial Results:** Pursuant to Regulation 33 of the Listing Regulations, the quarterly, half yearly and annual financial results of the Company are submitted to the BSE Limited after approval of the Board of Directors of the Company within prescribed time. The financial results of the Company are published in one vernacular newspaper viz. "Jansatta" and one English news paper viz. "Financial Express" within 48 hours of approval thereof. Also they are uploaded on the Company's website [www.pmcfincorp.com](http://www.pmcfincorp.com). The results are published in accordance with the guidelines of the Stock Exchanges.

**Annual Report:** Annual Report containing inter alia Standalone Financial Statements, Auditors' Report, Board's Report, Management discussion and Analysis Report, Corporate Governance Report is sent to all Members of the Company. The Annual Report is also available in downloadable form on the website of the Company a [www.pmcfincorp.com](http://www.pmcfincorp.com).

**Communication to shareholders on email:** The Company has designated Email Id [compliances@pmcfincorp.com](mailto:compliances@pmcfincorp.com) exclusive for shareholder/investor grievances redressal.

**SCORES (SEBI Complaints Redressal System):** SEBI has commenced processing of investor complaints in a centralized web based complaints redress system i.e. SCORES. Through this system a shareholder can lodge complaint against a company for his/her grievance. The Company will upload the action taken on the complaint which can be viewed by the grieved shareholder. The Company and Investor can also seek and provide clarification online to each other.

The Company also intimates the Stock Exchanges, all price sensitive matters or such matters which, in opinion of Board, are material and of relevance to the shareholders, and subsequently issues a Press Release on the matter, wherever necessary.

**BSE Corporate Compliance & Listing Centre:** BSE Corporate Compliance Listing Centre for submission of various filings by the Listed Companies. It is web based facility which is designed to make corporate filings easy, convenient and environment friendly. The Company regularly files data such as Shareholding Pattern, Corporate Governance Report, etc on the aforesaid portal.

**Presentations:** No presentations were made to analysts, Institutional Investors during the year under review.

## 7. Disclosures

- a) **Disclosures on materially significant related party transactions i.e. transactions of the Company of material nature, with its promoters, the directors or the management, subsidiary or the relatives of the directors, etc. that may have potential conflict with the interest of the Company at large**

During the year, there were no material related party transactions that may have potential conflicts with the interests of the Company at large. Transactions with related parties are disclosed in Notes to Accounts. Disclosures from Senior Management that there had been no material financial and commercial transactions that had a potential conflict with the interest of the Company at large, were placed before the Board.

The Company has formulated a policy for Related Party Transactions and the said policy has been hosted on the website of the Company under the web link:

<https://pmcfincorp.com/wp-content/uploads/2022/05/Related-Party-Transaction.pdf>



**(b) Details of non-compliance by the Company, penalties, strictures imposed on the Company by the stock exchanges or the SEBI or any statutory authority, on any matter related to capital markets, during the last three years i.e. 2019-20, 2020-21 and 2021-2022 respectively:**

No strictures or penalties have been imposed on the Company by the Stock Exchanges or by SEBI or by any other Statutory Authorities on any matters related to capital markets during the last three years, except a penalty imposed by the Stock Exchanges for Regulation 17(1) Non-compliance with the requirements pertaining to the composition of the Board including failure to appoint woman director as mentioned below:

S. No	Compliance Requirement	Deviations	Financial Year	Action Taken
1	Regulation 17(1) Non-compliance with the requirements pertaining to the composition of the Board including failure to appoint woman director for the quarter ended September 30, 2021	The Company had only 4 (four) director on its Board whereas the provisions of 17(1) (c) becomes applicable and board of directors of the company shall comprise of not less than six directors.	2021-22	The Company had made appointment of two directors on its Board w.e.f. November 24, 2021 and made representation to the BSE for waiver of the fine. However Company has received mail from BSE for Waiver of fines as on June 27, 2022.
2	Corporate Governance Report (Regulation 27(2) of SEBI (LODR) Regulations 2015) submitted for the Quarter ended December 2021 Non-Compliance number of Directors on the Board of PMC Fincorp Ltd is 4 which is less than 6	The Company had only 4 (four) director on its Board whereas the provisions of 17(1) (c) becomes applicable but Company could not comply with the same.	2021-22	The Company had submitted quarterly compliance reports pursuant to Regulation 27(2) of SEBI (LODR) Regulations, 2015 on Corporate Governance with in time but the number of directorship on the Board of the Company were 4 (Four) instead of 6 (Six) as required under Regulation 17(1)(c) of SEBI (LODR) 2015.

**Note:**

1. BSE issued an mail on June 27, 2022 to the Company for the Waiver of fines levied pursuant to SEBI Circular SEBI/HO/CFD/CMD/CIR/P/2020/12 dated January 22, 2020. (Erstwhile SEBI circular SEBI/HO/CFD/CMD/CIR/P/2018/77 dated May 03, 2018.) for the quarter September 30, 2021.
2. BSE imposed the Fine for the quarter December 31, 2021 as per pursuant to SEBI circular SEBI/HO/CFD/CMD/CIR/P/2020/12 dated January 22, 2020 (erstwhile SEBI/HO/CFD/CMD/CIR/P/2018/77 dated May 03, 2018)

**(c) Whistle Blower policy and Vigil Mechanism**

The Board has pursuant to the provisions of Section 177(9) & (10) of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 22 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, framed "Vigil Mechanism (Whistle Blower) Policy" ("the Policy") to deal with instances of fraud and mismanagement, if any. This Policy has been formulated to provide Vigil Mechanism for employees including directors of the Company to report genuine concerns from time to time. The said policy is placed on the website of the Company and may be accessed at a link:

<https://pmcfincorp.com/wp-content/uploads/2022/06/VIGIL-MECHANISM-WHISTLE-BLOWER-POLICY.pdf>



Your Company has formulated Vigil Mechanism / Whistle Blower Policy to enable Directors and employees of the Company to report concerns about unethical behavior, actual or suspected fraud or violation of Code of Conduct, that could adversely impact the Company's operations, business performance and / or reputation, in a secure and confidential manner. The said policy provides adequate safeguards against victimization of Directors/employees and direct access to Chairman of Audit Committee, in exceptional cases.

Your Company affirms that no Director/Employee of the Company has been denied access to the Chairman of the Audit Committee and no complaint has been received during the year under review.

**(d) Subsidiary Companies**

Your Company does not have any subsidiary. However, your Company has formulated a policy on material subsidiaries. The said policy is hosted on website of the Company under the web- link:

<https://pmcfincorp.com/wp-content/uploads/2022/05/Policy-on-determining-materiality-of-event.pdf>

**(e) Code of Conduct**

The Company has adopted a Code of Conduct applicable for all Directors and Senior Management of the Company which is in consonance with the requirements of Listing Regulations. The said code is available on the website of the Company and can be accessed through web-link:

<https://pmcfincorp.com/wp-content/uploads/2022/08/Code-of-Conduct-to-Regulate-Monitor-and-Report-Trading-by-1.pdf>

All members of the Board, the executive officers and seniors employees have affirmed compliance to the code of conduct as on March 31, 2022. A declaration to this effect, signed by Mr. Raj kumar Modi, Managing Director forms part of this Annual Report.

**(f) Compliance with Indian Accounting Standards (Ind-AS)**

In the preparation of the financial statements, the Company has followed the Indian Accounting Standards (Ind-AS) notified by Ministry of Corporate Affairs from time to time. The Significant Accounting Policies which are consistently applied have been set out in the Notes to the Financial Statements.

There is no deviation in following the treatments prescribed in Indian Accounting Standards (Ind-AS) in the preparation of financial statements for the year 2021-22.

**(g) Risk Management**

The risk assessment and minimization procedures are in place and the Board is regularly informed about the business risks and the steps taken to mitigate the same. More details of Risk Management are included in Management Discussion and Analysis.

**(h) CEO & CFO Certification**

Pursuant to the provisions of Regulation 17(8) of Listing Regulations, Mr. Chandresh Kumar Sharma, Chief Financial Officer of the Company have furnished certificate to the Board for the year ended March 31, 2022, in the prescribed format. The said certificate has been reviewed by the Audit Committee and taken on record by the Board.

**(i) Reconciliation of Share Capital Audit**

In terms of the provisions of Clause 76A of the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018, Reconciliation of Share Capital Audit is carried out on a quarterly basis. A qualified practicing Company Secretary carried out secretarial audit to reconcile the total admitted capital with National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The Share Capital audit report confirms that the total issued/paid up capital is in agreement with the total number of shares in physical form and the total number of dematerialised shares held with NSDL and CDSL. The audit is carried out every quarter and report thereon is submitted to the Stock Exchanges and is placed before the Board of Directors.



**(j) Code for Prevention of Insider Trading**

Pursuant to SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time, your Company has adopted a code of conduct to regulate, monitor and report trading by designated persons and their immediate relatives for prevention of Insider Trading in the shares of the Company. This code is applicable inter-alia to all Directors and Designated persons / employees of the Company who are expected to have access to unpublished price sensitive information. This code, inter-alia, prohibits purchase / sale / dealing in the equity shares of the Company by Designated persons and their immediate relatives while in possession of unpublished price sensitive information about the Company and during the time when trading window is closed. The Code also contains procedure for pre-clearance of trade, disclosure requirements etc. The Code is available on the website of the Company and can be accessed through web-link:

<https://pmcfincorp.com/wp-content/uploads/2022/01/Code-of-Practices-and-Procedures-for-Fair-Disclosure-of-Unpublished-Price-Sensitive-Information.pdf>

**(k) Certificate on Non-disqualification of Directors**

M/s Ashu Gupta & Associates, Practising Company Secretaries have certified that during FY 2021-22, none of the Directors of the Company have been debarred or disqualified from being appointed or continuing as Directors of the Companies by the Securities and Exchange Board of India (SEBI) or Ministry of Corporate Affairs (MCA) or any such authority. A certificate issued by M/s Ashu Gupta & Associates to that effect is attached as Annexure IV forming part of this report.

**(l) Recommendation of the committees**

During FY 2021-22, the Board has accepted all recommendations made by Audit Committee and Nomination and Remuneration Committee.

**(m) Total Fees Paid to Statutory Auditors**

During FY 2021-22, Rs 1,65,200/- was paid to M/s Sunil K. Gupta & Associates, Statutory Auditors.

**(n) Disclosure regarding Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013**

Under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the constitution of ICC (Internal Complaints Committee) is mandatory to the Company as the company has more than 10 (Ten) employees.

However, in order to prevent sexual harassment of women at workplace, your Company has adopted a policy for prevention of Sexual Harassment of Women at workplace under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 to look into the complaints relating to sexual harassment at workplace of any woman employee. During the year under review, your Company has not received any complaint pertaining to sexual harassment and no complaint was pending as on March 31, 2022.

**(o) Compliance with Mandatory & Non-Mandatory Requirements**

The Company has complied with all mandatory requirements of Corporate Governance specified in Listing Regulations. The Company has adopted discretionary requirements specified in Part E of Schedule II of Listing Regulations as given below:

**The Board:** The Company is having Non Executive Chairman. The Company does not incur any expenses for maintaining Chairman's office.

**Shareholder's Rights:** Quarterly, Half-yearly, Annual Financial Results of the Company are published in English and Hindi Newspapers and are also forwarded to BSE Limited. The said results are also uploaded on the website of the Company [www.pmfincorp.com](http://www.pmfincorp.com). Hence, the same are not sent to the Shareholders of the Company by email or physically.



**Modified Opinion in Audit Report:** There was no qualification or modified opinion in the Independent Auditors' Report on Audited Financial Statements for the year ended March 31, 2022, nor in past 2 years.

**Separate posts of Chairperson and Whole Time Director:** The Chairman of the Board is a Non-Executive Promoter Director and her position is separate from that of the Managing Director/Whole Time Director of the Company. The Company is in compliance of the requirement. Ms. Rekha Modi, Non-executive Director is the Chairperson of the Company and Mr. Raj Kumar Modi Managing Director of the Company.

**8. GENERAL SHAREHOLDER INFORMATION**

PMC Fincorp Limited was incorporated at Kanpur (U.P.) on 04-02-1985. The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is L27109UP1985PLC006998.

The address of our Registered Office is B-10, VIP Colony, Civil Lines, Rampur, UP 244901.

<b>Listing on the Stock Exchange</b>	BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400001	
	Stock Exchange Stock / Scrip Code-534060	
<b>Listing Fee</b>	The Company has paid Listing Fees for FY 2021-22 and FY 2022-23 to BSE Limited within prescribed time.	
<b>Annual Custody Fees</b>	The Company has paid the Annual Custody Fees to Central Depository Services (India) Ltd. and National Securities Depository Limited for the year 2021-22.	
<b>ISIN</b>	INE793G01035	
<b>Investor Information</b>		
<b>Date of AGM</b>	37th AGM of the Company will be held on Saturday, September 17, 2022 at 11:00AM (IST) through Video Conferencing/ Other Audio Visual Means.	
<b>Financial Year</b>	1st April to 31st March	
<b>Tentative Financial Calendar (for financial year 2022-23)</b>	Board Meeting for approval of	
	Financial Results for the Quarter ended June 30, 2022	On or before 14-08-2022
	Financial Results for the Quarter ended September 30, 2022	On or before 14-11-2022
	Financial Results for the Quarter ended December 31, 2022	On or before 14-02-2023
	Financial Results for the Quarter ended March 31, 2023	On or before 30-05-2023

**Dates of book closure:** The Register of Members and the Share Transfer books will remain closed from Saturday, September 10, 2022 to Saturday, September 17, 2022 (both days inclusive) for the purpose of Annual General Meeting.

**Dividend:** No dividend has been declared for the year ended March 31, 2022.

**Market price Data**

Month	Open Price	High Price	Low Price	Close Price	No. of Shares	No. of Trades
Apr-2021	1.00	1.20	0.88	1.18	67328712	28276
May-2021	1.18	2.02	1.03	2.02	89682307	48208
Jun-2021	2.06	2.85	2.04	2.60	39244335	29576
Jul-2021	2.55	3.39	1.87	2.78	84291761	73470
Aug-2021	2.65	3.20	1.93	2.17	43177910	47347
Sep-2021	2.17	2.19	1.66	1.69	30873154	37301
Oct-2021	1.70	2.04	1.61	1.69	36462198	44866
Nov-2021	1.69	3.60	1.62	3.10	60105199	52429
Dec-2021	2.95	6.27	2.54	6.27	80453006	96560
Jan-2022	6.58	11.48	6.56	7.44	77004141	159092
Feb-2022	7.07	8.15	4.07	4.07	38914085	78889
Mar-2022	3.87	6.89	3.87	5.53	34209651	49827

**Categories of Shareholders as on 31st March, 2022****Shareholding Pattern**

Category	No. of Shares	% of Paid up capital
<b>A Promoters' Holding</b>		
<b>1. Promoters</b>		
a) Indian Promoters		
- Individual	1,46,28,600	2.87
- Corporate Bodies	8,86,37,000	17.41
b) Foreign Promoters	—	—
<b>2. Persons acting in concert</b>	—	—
<b>Sub Total (A)</b>	<b>10,32,65,600</b>	<b>20.29</b>
<b>B Non-Promoters Holding</b>		
<b>3. Institutional Investors</b>		
a. Mutual Funds and Unit Trust of India	—	—
b. Banks, Financial Institutions, Insurance Companies (Central/State Govt. Institutions/Non-Govt. Institutions)	—	—
c. Foreign Institutional Investor	—	—
<b>4. Others</b>		
a. Indian Public	38,54,64,737	75.72
b. Corporate Bodies	39,45,247	0.78
c. Non Resident Indians/Overseas	1,50,57,831	2.96
d. Trust	—	—
e. Clearing Member	13,27,785	0.26
f. Clearing House	—	—
<b>Sub Total (B)</b>	<b>40,57,95,600</b>	<b>79.71</b>
<b>G.TOTAL (A+B)</b>	<b>50,90,61,200</b>	<b>100.00</b>





**Dematerialisation of shares and liquidity**

The equity shares of the Company are available for dematerialization with Central Depository Services India Limited (CDSL) and National Securities Depository Limited (NSDL). The ISIN of the Company's shares is **INE793G01035**. After dematerialisation of shares the shareholders must contact their DPs for any information/ instructions in respect of their shareholdings.

As on 31.03.2022, the status of dematerialisation of equity shares of the Company was as under:

S. No.	Particulars	Shareholders		Shareholding	
		(In Nos.)	(In %)	(In Nos.)	(In %)
1.	NSDL	114211	82.42	272097862	53.45
2.	CDSL	24191	17.45	231831484	45.54
3.	PHYSICAL	169	0.13	5131854	1.01

**Distribution of shareholding as on 31st March, 2022**

Distribution	No. of Share holders	% of Shareholders	No of Shares	% of Shareholding
1-100	49209	35.51	2227428	0.44
101-500	38510	27.79	11316577	2.22
501-1000	19574	14.13	16892734	3.32
1001-5000	22194	16.02	54306719	10.67
5001-10000	4541	3.28	35871240	7.05
10001-50000	3623	2.61	79482199	15.61
50001-100000	508	0.37	39228472	7.71
100001-500000	339	0.24	66969668	13.16
500001-1000000	41	0.03	27248643	5.35
1000001-5000000	27	0.02	54221091	10.65
5000001-100000000	5	0.00	121296429	23.83
	<b>138571</b>	<b>100.00</b>	<b>509061200</b>	<b>100.00</b>

**Address for Correspondence:**

**Share Transfer and Demat**

**INDUS PORTFOLIO PVT. LIMITED**

G-65, Bali Nagar,  
New Delhi-110015  
Phones : +91-11-47671214/47671211  
E-mail : [rs.kushwaha@indusinvest.com](mailto:rs.kushwaha@indusinvest.com)  
Website : [indusinvest.com](http://indusinvest.com)

**Note:** Shareholders holding shares in electronic mode should address all correspondence to their respective depository participants.

**Any query on Annual Report:**

Secretarial Department  
**PMC FINCORP LIMITED**  
201 & 202, Second Floor, Rattan Jyoti Building,  
18, Rajendra Place, New Delhi-110008  
Phone : +91-11-47631025, 26, 27  
E-mail : [compliances@pmcfincorp.com](mailto:compliances@pmcfincorp.com)  
Website : [pmcfincorp.com](http://pmcfincorp.com)



### Share Transfer System

Transfer of these shares is done through the depositories with no involvement of the Company. Regarding transfer of shares held in physical form, the transfer documents can be lodged with INDUS PORTFOLIO PRIVATE LIMITED at the above mentioned addresses of the Company. The shares transfers received in physical form are processed within a period of 15 days from the date of receipt subject to the documents being valid and complete in all respects. The Stakeholders Relationship Committee of the Board of Directors has delegated the powers of approving transfers, transmission, issue of duplicate share certificates etc., to the Managing Director, Chief Financial Officer and Company Secretary. The quarterly details of shares transferred, transmitted, dematerialised etc., are placed before the Board. The Company obtains yearly certificate from a Company Secretary in practice in compliance regarding share transfer formalities and submits a copy thereof to the Stock Exchanges in terms of Regulation 40(9) of the SEBI (LODR) Regulations, 2015.

### Outstanding GDRs/ADRs/ Warrants or any convertible instrument, conversion date and likely impact on Equity:

As on March 31, 2022, the Company does not have any outstanding GDRs/ADRs.

During the year Company allotted 7,00,00,000 Convertible Warrants to Promoter and Non- Promoter Category on March 16, 2022. further Company Converted 2,50,00,000 Number of Warrants into equity on May 24, 2022. Now Company having 4,50,00,000 Number of Warrants for the Conversion.

### Service of documents through electronic mode:

As a part of Green initiative, the Members who wish to receive documents like the Notice convening the General Meetings, Financial Statements, Director's Report, Auditors Report etc., through e-mail, may kindly intimate their E-mail address to Company/Registrars (for shares held in physical form) and Depository Participants (for shares held in dematerialized form).



ANNEXURE-IV

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**  
(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,

The Members of  
**PMC FINCORP LIMITED**  
B-10, VIP Colony,  
Civil Lines Rampur, UP-244901

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **PMC FINCORP LIMITED** (hereinafter referred to as 'the Company') having CIN: L27109UP1985PLC006998 and having registered office at B-10, VIP Colony, Civil Lines Rampur, UP-244901, produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub-clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company & its Directors, we hereby certify that none of the Directors on the Board of the Company as on **March 31, 2022** as stated below, have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority(ies):

Sr. No.	Name of Director	DIN	Date of appointment in Company
1	Mr. Mahavir Prasad Garg	00081692	14/02/2019
2	Mr. Raj Kumar Modi	01274171	27/01/2003
3	Mr. Rekha Modi	01274200	17/12/2009
4	Mr. Yogesh Kumar Garg	02144584	28/07/2020
5	Mr. Prabhat Modi	08193181	24/11/2021
6	Mr. Abhay Kumar	09412231	24/11/2021

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For Ashu Gupta & Co.**  
Company Secretaries

Place: New Delhi  
Date : 25-05-2022

**UDIN** : F004123D000385823

**Ashu Gupta**  
(Prop.)  
FCS No. 4123  
CP No: 6646



## Declaration regarding compliance by Board Members and Senior Management with the Company's Code of Conduct

This is to confirm that the Board has laid down a Code of Conduct for all Board Members and Senior Management of the Company. The Code of Conduct has also been posted on the website of the Company.

It is further confirmed that all Directors and Senior Management personnel of the Company have affirmed compliance with the Code of Conduct of the Company for the financial year ended March 31, 2022 as envisaged in Regulation 34 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

For **PMC FINCORP LIMITED**

**Place :** New Delhi  
**Date :** 28.05.2022

**Raj Kumar Modi**  
Managing Director  
DIN: 01274171

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### CERTIFICATION BY DIRECTOR AND CHIEF FINANCE OFFICER

To,  
The Members of  
**PMC Fincorp Limited**

We certify that:

1. We have reviewed the Financial Statements and Cash Flow Statement of PMC Fincorp Limited for the year ended on 31st March, 2022 and that to the best of our knowledge and belief:
  - (a) these statement do not contain any materially untrue statement or omit any Material fact or contain statements that might be misleading.
  - (b) these statement together present a true and faire view of the Company's affairs and are in compliance with existing accounting standards applicable laws & regulations.
2. There are to the best of our knowledge and belief, no transaction 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 maintain internal controls for financial reporting and that we have evaluated the effectiveness of the internal control system of the company pertaining to financial reporting and we have not come across any deficiency in the design or operation of such internal control.
4. We have indicated to the Auditors and the Audit Committee:
  - (a) Significant changes in the internal control during the year.
  - (b) Significant changes in accounting policies during the year.
  - (c) That there are no instances of significant fraud of which we have become aware.

**Place :** New Delhi  
**Date :** 28.05.2022

**Raj Kumar Modi**  
Managing Director  
DIN: 01274171

**Chandresh Kumar Sharma**  
(Chief Financial Officer)



**CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE**

To,

The Members of  
**PMC Fincorp Limited**

1. We have examined the compliance of conditions of Corporate Governance by **PMC FINCORP LIMITED** (“the Company”), for the year ended on 31st March 2022, as stipulated in Regulation 17 to 27 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
2. The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to the procedures and implementation thereof, adopted by the Company ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. 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 Chartered Accountants of India.

In our opinion and to the best of our information and according to our examination of relevant records and the explanations given to us and the representations by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the year ended on 31st March 2022.

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

**For SUNIL K. GUPTA & ASSOCIATES**  
Chartered Accountants  
Firm Registration No.002154N

**Place :** New Delhi  
**Dated :** 28.05.2022

**(CA MAHESH CHANDRAAGARWAL)**  
Partner  
M.No. 088025



## INDEPENDENT AUDITOR'S REPORT

To the Members of  
**PMC Fincorp Limited**

### Report on the Audit of the Standalone Ind AS Financial Statements

#### Opinion

We have Audited the accompanying Standalone Ind AS Financial Statements of **PMC FINCORP LIMITED** ("the Company") which comprise the Balance Sheet as at 31 March 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of changes in equity and the Statement of Cash Flows for the year then ended on that date, and a summary of the Significant Accounting Policies and other explanatory information (herein after referred to as "the Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ('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, 2022, its profit Amount of Rs. 181.26 Lacs and cash out flows for the year ended on that date.

#### Basis for Opinion

We conducted our Audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Companies Act, 2013 (the Act). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statement under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. We have determined that there are no key audit matters to communicate in our report.

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

The Company's Board of Directors is responsible for the matters stated in Section 134 (5) of the Act with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Rules, 2016, as amended from time to time, and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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



### **Auditor's Responsibilities for the Audit of the Financial Statements for the year ended 31st March, 2022**

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

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

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

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

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

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

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 Companies Act, 2013, we give in **Annexure "A"** a statement on the matters specified in paragraphs 3 and 4 of the Order.



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

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from my examination of those books;
- (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
- (d) In our opinion, the aforesaid financial statements comply with the accounting standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- (e) On the basis of the written representations received from the Directors as on March 31, 2022 taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2022 from being appointed as a Director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in “**Annexure B**”. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company’s internal financial controls over financial reporting;
- (g) With respect to the other matters to be included in the Auditor’s Report in accordance with the requirements of Section 197 (16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to our, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act; and
- (h) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to our;
  - a. The Company does not have any pending litigations (except the litigation as disclosed in Note 28 of the Financial Statements) which would impact its financial position;
  - b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
  - c. An amount of Rs.3.83 Lacs on account of unclaimed dividend, lying in the separate bank account opened for that purpose has become due but yet to be transferred to Investor Education and Protection Fund.
  - d.
    - i) The Management has represented that, to the best of its knowledge and belief, as disclosed in the notes forming part of standalone financial statements, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
    - ii) The Management has represented, that, to the best of its knowledge and belief, as disclosed in the notes forming part of standalone financial statements, no funds (which are material either individually or in the aggregate) have been received by the Company from any persons or entities, including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.





- iii) Based on the audit procedures that has been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.
- e. The Company has not declared or paid any dividend during the year and has not proposed final dividend for the year.

**For SUNIL K. GUPTA & ASSOCIATES**  
Chartered Accountants  
Firm Registration No.002154N

**Place :** New Delhi  
**Dated :** 28.05.2022

**(CA MAHESH CHANDRAAGARWAL)**  
Partner  
M.No. 088025  
**UDIN: 22088025AJUFML6809**



### ANNEXURE - A TO THE AUDITORS' REPORT

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' of our Report of even date to the members of **PMC Fincorp Limited** on the accounts of the company for the year ended 31st March, 2022]

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 the Company's Property, Plant and Equipment and Intangible Assets:
  - (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of the Property, plant and equipment.  
(B) The Company has maintained proper records showing full particulars of intangible assets.
  - (b) As explained to us, Property, plant and equipment have been physically verified by the management during the year in accordance with the phased programme of verification adopted by the management which, in our opinion, provides for physical verification of all the Property, plant and equipment at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
  - (c) According to the information and explanations given to us, the company has no owned property.
  - (d) The Company has not revalued any of its Property, Plant and Equipment and intangible assets during the year.
  - (e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2022 for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- (ii) In respect of its inventory:
  - a) The inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
  - b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
  - c) The Company has maintained proper records of inventories. As per the information and explanation given to us, no material discrepancies were noticed on physical verification.
- (iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments, provided guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year. Accordingly, this clause is not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, the company has complied with section 185 and 186 of the Companies Act 2013 in respect of loans, investments, guarantees and security.
- (v) The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, this clause of the Order is not applicable.
- (vi) As informed to us, the Central Government has not prescribed maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the Company.
- (vii) In respect of statutory dues:
  - (a) In our opinion, the Company has generally been regular in depositing undisputed statutory dues, including Goods and Services Tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other statutory dues applicable to it with the appropriate authorities.



There were no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other statutory dues in arrears as at March 31, 2022 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, there were following disputed amounts payable:

Status	Period	Description	Amount (Net Dues)	Forum where dispute is pending
Income Tax Act 1961	AY 2013-14	Order U/s 143(3)	10,659,306/-	The Company has filed appeal before the Commissioner of Income Tax (Appeals), Kanpur
Income Tax Act 1961	AY 2014-15	Order U/s 143(3)	6,734,458/-	
Income Tax Act 1961	AY 2015-16	Order U/s 143(3)	15,195,181/-	
Income Tax Act 1961	AY 2016-17	Order U/s 143(3)	45,970,190/-	
Income Tax Act 1961	AY 2017-18	Order U/s 143(3)	40,791,893/-	
Income Tax Act 1961	AY 2018-19	Order U/s 143(3)	123,751,849/-	
Income Tax Act 1961	AY 2019-20	Order U/s 143(3)	23,612,609/-	

- (viii) There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to banks or financial institutions or any other lender during the year.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or other lender.
- (c) In our opinion and according to the information and explanations given to us by the management, no term loans were obtained during the year. Accordingly, this clause is not applicable.
- (d) The Company has not raised funds on short term basis during the year and hence, reporting under clause (ix)(d) of the Order is not applicable.
- (e) The Company does not hold any investment in any subsidiary, associate or joint venture (as defined under Companies Act, 2013) during the year ended 31 March 2022. Accordingly, this clause is not applicable.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.
- (x) (a) According to the information and explanations given to us and based on our examination of the records of the company, the Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under this clause is not applicable.
- (b) According to the information and explanations given to us and on an overall examination of the Balance Sheet, during the year Company has allotted 7,00,00,000 Convertible Warrants to Promoter and Non-Promoter Category on March 16, 2022 at the rate ₹9.90/- each.
- (xi) (a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.
- (c) According to the information and explanations given to us, during the year there are no whistle blower complaints received by the company during the year.



- (xii) The Company is not a Nidhi Company and hence this clause is not applicable.
- (xiii) In our opinion, and according to the information and the explanation given to us, all transactions with the related parties are in accordance with section 177 and 188 of the Companies Act, 2013, and the details of the same has been disclosed in the financial statements as required by the accounting standards.
- (xiv) (a) In our opinion the Company has an adequate internal audit system commensurate with the size and nature of its business.  
(b) We have considered the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- (xv) In our opinion during the year the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi) According to the information and explanations given to us, we report that the Company has registered as required, under Section 45-IA of the Reserve Bank of India Act, 1934.
- (xvii) In our opinion, there is no cash loss in the financial year and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, this clause of the Order is not applicable
- (xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) In our opinion and according to the information and explanations given to us, section 135 of the Companies Act, 2013 is not applicable to the company. Accordingly, this clause is not applicable.

**For SUNIL K. GUPTA & ASSOCIATES**  
Chartered Accountants  
Firm Registration No.002154N

**Place :** New Delhi  
**Dated :** 28.05.2022

**(CA MAHESH CHANDRA AGARWAL)**  
Partner  
M.No. 088025  
**UDIN: 22088025AJUFML6809**



## 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 **PMC Fincorp Limited** ("the Company") as of 31st March 2022 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 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 was established and maintained and if such controls operated effectively in all material respects.

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

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

#### **Meaning of Internal Financial Controls 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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 31st March, 2022, 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.

**Place :** New Delhi  
**Dated :** 28.05.2022

**For SUNIL K. GUPTA & ASSOCIATES**

Chartered Accountants  
Firm Registration No.002154N

**(CA MAHESH CHANDRAAGARWAL)**

Partner  
M.No. 088025

**UDIN: 22088025AJUFML6809**



**BALANCE SHEET AS AT 31ST MARCH, 2022**

(₹ in lakhs)

Particulars	Note No.	As At 31.03.2022	As At 31.03.2021
<b>ASSETS</b>			
<b>1 Financial Assets</b>			
(a) Cash and Cash Equivalents	2	4.80	0.88
(b) Bank Balances other than above	3	437.71	-3.08
(c) Receivables			
(i) Trade Receivables	4	22.01	0.34
(ii) Other Receivables		—	—
(d) Loans	5	10,539.32	7,430.79
(e) Investments	6	462.54	446.70
(f) Other Financial Assets	7	117.38	—
<b>Total Financial Assets</b>		<b>11,583.76</b>	<b>7,875.63</b>
<b>2 Non-Financial Assets</b>			
(a) Inventories	8	24.82	20.26
(b) Income Tax Assets (Net)	9	88.07	143.30
(c) Property, Plant and Equipment	10	4.26	3.85
(d) Intangible Assets		—	—
(e) Investment Property	11	—	—
(f) Other Non-Financial Assets	12	—	—
(f) Deferred Tax Asset (Net)	13	2.83	3.03
<b>Total Non-Financial Assets</b>		<b>119.98</b>	<b>170.44</b>
<b>Total Assets</b>		<b>11,703.74</b>	<b>8,046.07</b>
<b>LIABILITIES AND EQUITY LIABILITIES</b>			
<b>1 Financial Liabilities</b>			
(a) Payables			
Trade Payables			
(i) Total outstanding dues to Micro Enterprises and Small Enterprises		—	—
(ii) Total outstanding dues to other than Micro Enterprises and Small Enterprises	14	1.51	20.53
(b) Borrowings other than Debt Securities	15	2,460.18	620.61
<b>Total Financial Liabilities</b>		<b>2,461.69</b>	<b>641.14</b>
<b>2 Non-Financial Liabilities</b>			
(a) Long Term Provisions	16	42.15	29.72
(b) Short-Term Provisions	17	72.77	141.13
(c) Deferred Tax Liabilities (Net)		—	—
(d) Other Non-Financial Liabilities (Statutory dues payable)	18	14.52	60.42
<b>Total Non-Financial Liabilities</b>		<b>129.44</b>	<b>231.27</b>
<b>3 Equity</b>			
(a) Equity Share Capital	19	5,090.61	5,090.61
(b) Other Equity	20	4,022.00	2,083.05
<b>Total Equity</b>		<b>9,112.61</b>	<b>7,173.66</b>
<b>Total Liabilities and Equity</b>		<b>11,703.74</b>	<b>8,046.07</b>

**Significant Accounting Policies**

Notes referred to above and attached there to form an integral part of Balance Sheet

As per our report of even date attached

**FOR SUNIL K. GUPTA & ASSOCIATES**

Chartered Accountants

Firm Registration No.002154N

For and on behalf of the Board of Directors of

**PMC FINCORP LIMITED**

**(CA MAHESH CHANDRA AGARWAL)**

Partner

Membership No. : 088025

**(RAJ KUMAR MODI)**

Managing Director

DIN : 01274171

**(REKHA MODI)**

Director

DIN : 01274200

Place : New Delhi

Date : 28.05.2022

**(CHANDRESH KUMAR SHARMA)**

Chief Financial Officer

**(KAILASH)**

Company Secretary  
Membership No: A51199



## STATEMENT OF PROFIT &amp; LOSS FOR THE YEAR ENDED 31ST MARCH, 2022

(₹ in lakhs)

Particulars	Note No.	As At 31.03.2022	As At 31.03.2021
<b>Income</b>			
Revenue from Operations	21	738.19	543.26
Other Income		—	—
<b>Total Revenue</b>		<b>738.19</b>	<b>543.26</b>
<b>Expenses</b>			
Purchase of Stocks & Shares		4.56	—
Change in Inventories of Finished Goods, Work-in-progress and Stock-in-Trade	22	-4.56	—
Employee Benefits Expenses	23	56.03	47.43
Finance Costs	24	71.34	64.52
Depreciation and Amortisation Expenses	25	1.49	2.32
Other Administrative Expenses	26	354.31	185.60
<b>Total Expenses</b>		<b>483.17</b>	<b>299.87</b>
<b>Profit before Exceptional Items and Tax</b>		<b>255.02</b>	<b>243.39</b>
Exceptional Items		—	—
<b>Profit Before Tax</b>		<b>255.02</b>	<b>243.39</b>
<b>Tax expense</b>			
Current Tax		72.77	61.26
Adjustment for prior years		0.78	—
Deferred Tax Asset		0.21	-0.61
<b>Profit After Tax</b>		<b>181.26</b>	<b>181.53</b>
<b>Other Comprehensive Income</b>			
<b>Items that will not be reclassified to Profit or Loss</b>			
- Remeasurement of defined benefit plans		—	—
- Changes in fair value of financial instruments		37.66	-0.75
<b>Income Tax relating to items that will not be reclassified to Profit or Loss</b>			
- Tax on remeasurement of defined benefit plans		—	—
- Tax on changes in fair value of financial instruments		—	—
<b>Other Comprehensive Income for the year</b>		<b>37.66</b>	<b>-0.75</b>
<b>Total Comprehensive Income</b>		<b>218.92</b>	<b>180.77</b>
<b>Earnings Per Equity Share (in Rs.) :</b>			
Nominal value of Rs. 1 each (Previous year Rs. 1 each)			
- Basic & Diluted Earning Per Share		0.04	0.04

**Significant Accounting Policies**

1

Notes referred to above and attached there to form an integral part of Profit &amp; Loss

As per our report of even date attached

For and on behalf of the Board of Directors of

**FOR SUNIL K. GUPTA & ASSOCIATES****PMC FINCORP LIMITED**

Chartered Accountants

Firm Registration No.002154N

**(CA MAHESH CHANDRA AGARWAL)**

Partner

Membership No. : 088025

**(RAJ KUMAR MODI)**

Managing Director

DIN : 01274171

**(REKHA MODI)**

Director

DIN : 01274200

Place : New Delhi

Date : 28.05.2022

**(CHANDRESH KUMAR SHARMA)**

Chief Financial Officer

**(KAILASH)**

Company Secretary

Membership No: A51199





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

A. Equity Share Capital

(₹ in lakhs)

Particular	No. of Shares	Amount of Shares
Balance As at March 31, 2021	509061200	5,090.61
Change in equity share capital during the year	—	—
Balance As at March 31, 2022	509061200	5,090.61

B. Other Equity

(₹ in lakhs)

Particulars	Share application money pending allotment	Equity component of compound financial instruments	Reserves and Surplus				Debt instruments through Other Comprehensive Income	Equity Instruments through Other Comprehensive Income	Effective portion of Cash Flow Hedges	Re-valuation Surplus	Exchange differences on translating the financial statements of a foreign operations	Other items of Other Comprehensive Income (specify nature)	Money received against share warrants	Total
			Capital Reserve	Share Premium Reserve	Statutory Reserve	Retained Earnings								
Balance As at March 31, 2021	-	-	-	613.54	271.90	1197.61	-	-	-	-	-	-	-	2083.06
Profit for the year	-	-	-	-	43.79	125.05	-	-	-	-	-	-	-	168.84
Total Comprehensive Income for the year	-	-	-	-	-	37.66	-	-	-	-	-	-	-	37.66
Transfer to retained earnings	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance As at March 31, 2022	-	-	-	613.54	315.69	1360.28	-	-	-	-	-	-	1732.50	4022.00

As per our report of even date attached  
**FOR SUNIL K. GUPTA & ASSOCIATES**  
 Chartered Accountants  
 Firm Registration No.002154N

For and on behalf of the Board of Directors of  
**PMC FINCORP LIMITED**

**(CA MAHESH CHANDRA AGARWAL)**  
 Partner  
 Membership No. : 088025

**(RAJ KUMAR MODI)**  
 Managing Director  
 DIN : 01274171

**(REKHA MODI)**  
 Director  
 DIN : 01274200

Place : New Delhi  
 Date : 28.05.2022

**(CHANDRESH KUMAR SHARMA)**  
 Chief Financial Officer

**(KAILASH)**  
 Company Secretary  
 Membership No: A51199

**CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2022***(₹ in lakhs)*

	Year Ended 31-03-2022	Year Ended 31-03-2021
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit Before Tax	255.02	243.39
<b>Adjustment for:</b>		
Depreciation/Amortisation	1.49	2.32
Less: Amounts W/off	—	—
Less: Profit (Net) on Investment / Asset	-11.59	-192.49
Operating Profit Before Working Capital Changes	244.92	53.22
<b>Adjustment for Working Capital:</b>		
Increase / (Decrease) in Inventories	-4.56	—
(Increase) / Decrease in Trade Receivables	-21.67	-0.34
Decrease / (increase) in Short Term Loans & Advances	-3225.91	-283.68
Increase / (Decrease) in Short -Term Borrowings	—	—
Increase / (Decrease) in Income Tax Assets	-30.30	-36.20
Increase / (Decrease) in Trade Payables	-19.02	8.79
Increase / (Decrease) in Other Current Liabilities	-45.90	8.58
Cash Generated from Operations	-3102.45	-249.63
Income Taxes Paid	-56.40	-6.80
Proposed Dividend	—	—
Dividend tax	—	—
<b>Net Cash Outflow from Operating Activities</b>	<b>-3158.85</b>	<b>-256.43</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Sale of Investments	33.41	633.56
Purchase of Fixed Assets	-1.90	-0.01
<b>Net Cash Used in Investing Activities</b>	<b>31.51</b>	<b>633.55</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Repayment of Long Term Borrowings	—	-392.46
Proceeds from Long Term Borrowings	1,839.57	—
Share Capital	—	—
Share Premium	—	—
Proceeds from Issue of Warrant (Share Capital)	1,732.50	—
<b>Net Cash from/ (used in) Financing Activities</b>	<b>3,572.07</b>	<b>-392.46</b>
Net Increase / (Decrease) in Cash and Cash Equivalents	444.75	-15.34
Cash & Cash Equivalents at the beginning of the period	-2.24	13.10
Cash & Cash Equivalents at the end of the period	442.51	-2.24

As per our report of even date attached  
**FOR SUNIL K. GUPTA & ASSOCIATES**  
 Chartered Accountants  
 Firm Registration No.002154N

For and on behalf of the Board of Directors of  
**PMC FINCORP LIMITED**

**(CA MAHESH CHANDRA AGARWAL)**  
 Partner  
 Membership No. : 088025

**(RAJ KUMAR MODI)**  
 Managing Director  
 DIN : 01274171

**(REKHA MODI)**  
 Director  
 DIN : 01274200

Place : New Delhi  
 Date : 28.05.2022

**(CHANDRESH KUMAR SHARMA)**  
 Chief Financial Officer

**(KAILASH)**  
 Company Secretary  
 Membership No: A51199



**NOTES TO THE FINANCIAL STATEMENTS**

**1. SIGNIFICANT ACCOUNTING POLICIES**

**(i) Company Information**

PMC Fincorp Limited is a Public Limited Company (The Company) having Registered Office at B-10 VIP Colony, Civil Lines Rampur UP-244901. The Company is listed on the BSE (Bombay Stock Exchange). The Company is a Non Systemically Important Non-Banking Financial Company Not accepting public deposits (“NBFC-ND-NSI”) registered with the Reserve Bank of India (“the RBI”) under section 45-IA of the Reserve Bank of India Act, 1934 and primarily engaged in financing and related activities. The Company had received the certificate of registration from RBI on November 14, 2014, enabling the Company to carry on business as a Non-Banking Financial Company.

The Audited Financial Statements were subject to review and recommendation of Audit Committee and approval of Board of Directors. On May 28, 2022, Board of Directors of the Company approved and recommended the Audited Financial Statements for consideration and adoption by the shareholders in its Annual General Meeting.

**(ii) Basis for preparation of Accounts:**

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the ‘IndAS’) as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

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

The financial statements are presented in INR, the functional currency of the Company. Items

included in the financial statements of the Company are recorded using the currency of the primary economic environment in which the Company operates (the ‘functional currency’). Transactions and balances with values below the rounding off norm adopted by the Company have been reflected as “0” in the relevant notes in these financial statements. The financial statements of the Company for the year ended 31st March, 2022 were approved for issue in accordance with the resolution of the Board of Directors 28th May, 2022.

**(iii) Current - Non Current classification**

All assets and liabilities are classified into current and non-current as per company normal accounting cycle.

**(a) Assets**

"An asset is classified as current when it satisfies any of the following criteria:

- 1) it is expected to be realised in, or is intended for sale or consumption in, the Company’s normal operating cycle;
- 2) it is held primarily for the purpose of being traded;
- 3) it is expected to be realised within 12 months after the reporting date; or
- 4) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date. Current assets include the current portion of non-current financial assets. All other assets are classified as non-current.

**(b) Liabilities**

A liability is classified as current when it satisfies any of the following criteria:

- 1) it is expected to be settled in the company’s normal operating cycle;
- 2) it is held primarily for the purpose of being traded;
- 3) it is due to be settled within 12 months after the reporting date; or
- 4) the company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity Instruments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities.

All other liabilities are classified as non-current.



**Operating cycle**

Operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents

**(iv) Basis of measurement**

These financial statements are prepared under the historical cost convention unless otherwise indicated.

**(v) Key Accounting Estimates and Judgements Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the result of operations during the reporting year end. Although these estimates are based upon management's best knowledge of current events and actions, actual result could differ from these estimates. Any revisions to the accounting estimates are recognized prospectively in the current and future years.

**(vi) Tangible fixed assets**

Tangible fixed assets (except freehold land which is carried at cost) are stated at cost of acquisition less accumulated depreciation and impairment loss, if any. Cost of acquisition includes freight inward, duties, taxes and other directly attributable expenses incurred to bring the assets to their working condition.

**(vii) Depreciation and amortisation**

The company has followed the WDV method for the depreciation and amortization of all tangible and intangible assets. There is no change in the method of depreciation during previous year.

**(viii) Investments:**

Investments are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries, associates and joint venture, the difference between net disposal proceeds and the carrying amounts are recognized in the Statement of Profit and Loss.

**ix. Inventories:**

Inventories are valued at weighted average cost or net realizable value whichever is lower. Cost is determined on First-In-First-Out (FIFO) basis.

**(x) Cash and Cash Equivalents:**

Cash and cash equivalents are short-term (three months or less from the date of acquisition), highly liquid investments that are readily convertible into cash and which are subject to an insignificant risk of changes in value.

**(xi) Trade Receivables and Loans:**

Trade receivables are initially recognised at fair value. Subsequently, these assets are held at amortised cost, using the effective interest rate (EIR) method net of any expected credit losses. The EIR is the rate that discounts estimated future cash income through the expected life of financial instrument.

**(xii) Provisions and Contingent Liabilities:**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date.

If the effect of the time value of money is material, provisions are discounted to reflect its present value using a current pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

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

**(xiii) Revenue Recognition:**

**(a) Loan Income:** In respect of loan agreements, the income is accrued by applying the impact rate in the transaction on declining balance on the amount financed for the period of the agreement.

**(b) Dividend income on investments** is recognized when the right to receive the same is established.



(c) No income is recognized in respect of Non-performing assets, if any, as per the prudential norms for income recognition introduced for Non-Banking Financial Corporation by Reserve Bank of India vide its notification No.DFC.NO.119/DG/(SPT)-98 date 31-01-1998 and revised notification no. DNBS.192/DG (VL)-2007 dated 22-02-2007.

**(xiv) Expenditure:**

Expenses are accounted on accrual basis.

**(xv) Provisions of Assets**

The company makes provisions for standard and Non-performing Assets as per the Non-Banking Financial (Non-Deposit Accepting of Holding Companies prudential Norms Reserve Bank) Directions, 2007, as amended from time to time. The company also makes additional provisions towards loan assets, to the extent considered necessary, based on the management's best estimate.

Loan assets which as per the management are not likely to be recovered are considered as bad debts and written off.

Provisions on standards assets are made as per the notification DNBS.PD.CC.No. 002/03.10.001/2014-15 dated Nov 10, 2014 issued by Reserve Bank of India.

**(xvi) Provisions, contingents Liabilities and contingent Assets**

(a) A Provision is recognized when the company has present obligation as a result of past event and it is probable that outflow of resources will be required to settle the obligation and in respect of which a reliable estimate can be made. Provisions are not discounted to their present value are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

(b) Contingent Liabilities are disclosed separately by way of note to financial statements after careful evaluation by the managements of the facts and legal aspects of the matter involved in case of:

- (i) A present obligation arising from the past event, when it is not probable that an outflow of resources will be required to settle the obligation.
- (ii) A possible obligation, unless the probability of outflow of resources is remote.

(c) Contingent Assets are neither recognized, nor disclosed in the financial statements.

**(xvii) Income Taxes:**

Income tax expense for the year comprises of current tax and deferred tax. It is recognised in the Statement of Profit and Loss except to the extent it relates to a business combination or to an item which is recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable/receivable on the taxable income/loss for the year using applicable tax rates at the Balance Sheet date, and any adjustment to taxes in respect of previous years. Interest expenses and penalties, if any, related to income tax are included in finance cost and other expenses respectively. Interest Income, if any, related to Income tax is included in current tax expense.

Deferred tax is recognised in respect of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes.

A deferred tax liability is recognised based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted, or substantively enacted, by the end of the reporting period. Deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities; and the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority.

**(xviii) Employee Benefits**

No provision of retirement benefits of employees such as leave encashment, gratuity has been made during the year by the company. The same shall be accounted for as and when arises.



Notes to Financial Statements for the year ended March 31, 2022

(₹ in lakhs)

FINANCIAL ASSETS		As At 31.03.2022	As At 31.03.2021
<b>2. Cash and Cash Equivalents</b>			
Cash in Hand		4.80	0.88
		<b>4.80</b>	<b>0.88</b>
<b>3. Bank Balances other than Cash and Cash Equivalents</b>			
Balances with Banks			
- On current accounts		433.88	-6.91
- Dividend Accounts		3.83	3.83
		<b>437.71</b>	<b>-3.08</b>
<b>4. Receivables</b>			
Trade Receivables Considered Good – Unsecured		22.01	0.34
		<b>22.01</b>	<b>0.34</b>

Trade Receivables Ageing Schedule

Particulars	As at March 31, 2022					
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	22.01	-	-	-	-	22.01
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables – considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
<b>TOTAL</b>	<b>22.01</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>22.01</b>

Particulars	As at March 31, 2021					
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	-	0.34	-	-	-	0.34
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables – considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
<b>TOTAL</b>	<b>-</b>	<b>0.34</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.34</b>



Notes to Financial Statements for the year ended March 31, 2022

(₹ in lakhs)

FINANCIAL ASSETS	As At 31.03.2022	As At 31.03.2021
<b>5. Loans</b>		
<b>Unsecured, Considered Good</b>		
Loans at agreement values less instalment		
Standard Assets	10509.07	7400.54
Doubtful Assets (NPA)	—	—
Capital Advances	—	—
Advance Against Property	—	—
Share Application Money to Corporates	30.00	30.00
Security Deposit to Landlord Rampur	0.25	0.25
	<b>10539.32</b>	<b>7430.79</b>
<b>6. Investments</b>		
<b>(A) Investment in Quoted Equity Instruments (At fair value through OCI)</b>		
Pranvadiya Spinning Ltd.	117.97	80.31
4,98,800 (previous year 4,98,800) Equity Shares of Rs.10 fully paid up		
<b>Total value of investment in quoted equity instruments</b>	<b>117.97</b>	<b>80.31</b>
<b>(B) Investments in Unquoted Equity Instruments</b>		
Swati Menthol & Allied Chemicals Ltd.	180.00	180.00
2,00,000 (previous year 2,00,000) Equity Shares of Rs.10 fully paid up		
Catamaran Corporation Ltd.	150.00	150.00
15,00,000 (previous year 15,00,000) (Redeemable Non-Cumulative Preference Shares)		
EPS Finvest Pvt. Ltd.	—	21.83
Nil (previous year 43,650) Equity Shares of Rs.10 fully paid up		
BSB Marketing Pvt. Ltd.	14.57	14.57
13,15,575 (previous year 13,15,575) Equity Shares of Rs.10 fully paid up		
<b>Total value of investments in unquoted equity instruments</b>	<b>344.57</b>	<b>366.40</b>
<b>Total Value of Investments (A)+(B)</b>	<b>462.54</b>	<b>446.71</b>
<b>7. Other Financial Assets</b>		
Margin with R.K. Global Shares and Securities Ltd.	117.38	—
	<b>117.38</b>	<b>—</b>



## Notes to Financial Statements for the year ended March 31, 2022

₹ in lakhs)

NON-FINANCIAL ASSETS	As At 31.03.2022	As At 31.03.2021
<b>8. Inventories</b>		
Stock of Shares & Securities	24.82	20.26
	<b>24.82</b>	<b>20.26</b>
<b>9. Income Tax Assets (Net)</b>		
Income Tax Assets	88.07	143.30
	<b>88.07</b>	<b>143.30</b>
<b>10. Property, Plant and Equipment</b>		

Current Year	Gross Block (at cost)				Accumulated Depreciation				Net Block
Description	As at April 1, 2021	Additions during the year	Disposal/ Adjustment	As at March 31, 2022	As at March 31, 2021	For the year	Disposal/ Adjustment	As at March 31, 2022	As at March 31, 2022
Furniture and Fixtures	16.72	-	-	16.72	15.48	0.21	-	15.69	1.03
Office Equipments	11.84	1.78	-	13.62	10.59	1.07	-	11.66	1.96
Vehicles	17.56	-	-	17.56	16.24	0.18	-	16.42	1.14
Computer Software	0.25	0.12	-	0.37	0.24	0.03	-	0.27	0.10
<b>Total</b>	<b>46.37</b>	<b>1.90</b>	<b>-</b>	<b>48.27</b>	<b>42.55</b>	<b>1.49</b>	<b>-</b>	<b>44.03</b>	<b>4.26</b>

Previous year	Gross Block (at cost)				Accumulated Depreciation				Net Block
Description	As at April 1, 2020	Additions during the year	Disposal/ Adjustment	As at March 31, 2021	As at March 31, 2020	For the year	Disposal/ Adjustment	As at March 31, 2021	As at March 31, 2021
Furniture and Fixtures	16.72	-	-	16.72	14.43	1.05	-	15.48	1.25
Office Equipments	11.83	0.01	-	11.84	10.10	0.49	-	10.59	1.26
Vehicles	17.56	-	-	17.56	15.45	0.79	-	16.24	1.33
Computer software	0.25	-	-	0.25	0.24	-0.00	-	0.24	0.01
<b>Total</b>	<b>46.36</b>	<b>0.01</b>	<b>-</b>	<b>46.37</b>	<b>40.22</b>	<b>2.32</b>	<b>-</b>	<b>42.55</b>	<b>3.85</b>

## Footnotes:

- (i) The Company has elected Ind AS 101 exemption and continue with the carrying value for all of its property, plant and equipment as its deemed cost as at the date of transition, for details refer note.
- (ii) The Company has not carried out any revaluation of property, plant and equipment for the year ended March 31, 2022 and March 31, 2021.
- (iii) There are no impairment losses recognised during the year.
- (iv) There are no exchange differences adjusted in Property, Plant & Equipment.





Notes to Financial Statements for the year ended March 31, 2022

(₹ in lakhs)

NON-FINANCIAL ASSETS		As At 31.03.2022	As At 31.03.2021
<b>11. Investment Property</b>			
<b>Reconciliation of carrying amount</b>			
<b>Cost or deemed cost</b>			
Opening balance		—	—
Additions during the year		—	—
Sale During the year		—	—
<b>Total carrying amount</b>		<b>—</b>	<b>—</b>
<b>12. Other Non-Financial Assets</b>			
Share Application Money to Corporates		—	—
Security to Landlord Rampur		—	—
		—	—
<b>13. Deferred Tax Asset (Net)</b>			
Opening Balance		3.03	3.64
Deferred tax Asset		-0.21	-0.61
		<b>2.83</b>	<b>3.03</b>

(₹ in lakhs)

FINANCIAL LIABILITIES		As At 31.03.2022	As At 31.03.2021
<b>14. Trade Payables</b>			
- to Micro and Small Enterprises (Refer Note 29)		—	—
- to Others		1.51	20.53
		<b>1.51</b>	<b>20.53</b>

Trade Payables Ageing Schedule

Particulars	Outstanding for following periods from due date of payment					
	As at March 31, 2022	Less than - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME		-	-	-	-	-
(ii) Others		1.51	-	-	-	1.51
(iii) Disputed Dues - MSME		-	-	-	-	-
(iii) Disputed Dues - Others		-	-	-	-	-
<b>TOTAL</b>		<b>1.51</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1.51</b>

Particulars	Outstanding for following periods from due date of payment					
	As at March 31, 2021	Less than - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME		-	-	-	-	-
(ii) Others		9.03	3.25	6.82	1.43	20.53
(iii) Disputed Dues - MSME		-	-	-	-	-
(iii) Disputed Dues - Others		-	-	-	-	-
<b>TOTAL</b>		<b>9.03</b>	<b>3.25</b>	<b>6.82</b>	<b>1.43</b>	<b>20.53</b>



## Notes to Financial Statements for the year ended March 31, 2022

(₹ in lakhs)

FINANCIAL LIABILITIES	As At 31.03.2022	As At 31.03.2021
<b>15. Borrowings other than Debt Securities</b>		
<b>Short Term Borrowings</b>		
(a) Secured Loans	—	—
(b) Unsecured Loans		
<b>Loans Repayable on Demand</b>		
From Body Corporates	2460.18	620.61
From Other	—	—
	<b>2460.18</b>	<b>620.61</b>

(₹ in lakhs)

NON-FINANCIAL LIABILITIES	As At 31.03.2022	As At 31.03.2021
<b>16. Long Term Provisions</b>		
<b>Provision for Employee Benefits</b> (Refer Note 30)		
Provision for Gratuity	—	—
<b>Other Provisions</b>		
Contingent Provision for Standard Assets	42.15	29.72
	<b>42.15</b>	<b>29.72</b>
<b>17. Short Term Provisions</b>		
Provision for Taxation	72.77	141.13
	<b>72.77</b>	<b>141.13</b>
<b>18. Other Non-Financial Liabilities</b>		
<b>Statutory Dues Payable</b>		
(i) Expenses Payable	1.23	41.64
(ii) Unclaimed Dividend:-		
2010-2011	0.21	0.21
2011-2012	1.52	1.52
2012-2013	2.10	2.10
(iii) Duties & Taxes Payable	9.45	14.95
	<b>14.52</b>	<b>60.42</b>
<b>19. Equity Share Capital</b>		
<b>Equity Shares</b>		
i) <b>Authorised Share Capital</b>		
Equity Shares of Rs. 1 each (P.Y. 1/- each)	6,000.00	5,200.00
	<b>6,000.00</b>	<b>5,200.00</b>
<b>Issued, subscribed and fully paid-up</b>		
Equity Shares of Rs. 1 each (P.Y. 1/- each)	5,090.61	5,090.61
	<b>5,090.61</b>	<b>5,090.61</b>

**1. Terms and rights attached to equity shares****a) Voting**

Each holder of equity shares is entitled to one vote per share held.

**b) Dividends**

The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to approval of the shareholders in ensuing Annual General Meeting except in the case where interim dividend is distributed.

During the year ended March 31, 2022, the company has recorded per share dividend of Rs. Nil (previous year Nil) to its equity holders.



Notes to Financial Statements for the year ended March 31, 2022

(₹ in lakhs)

NON-FINANCIAL LIABILITIES	As At 31.03.2022	As At 31.03.2021
---------------------------	---------------------	---------------------

**c) Liquidation**

In the event of liquidation of the Company, the holders of equity shares shall be entitled to receive all of the remaining assets of the Company, after distribution of all preferential amounts, if any.

Such distribution amounts will be in proportion to the number of equity shares held by the shareholders.

**d) Bonus Share**

1 (One) Equity Shares for every 1 (one) Equity Share on 02.09.2015 (Shares 243280600 Nos.)

**ii) Reconciliation of number of Shares Outstanding at the beginning and end of the Year**

Particulars	At the End of 31.03.2022	At the End of 31.03.2022	At the End of 31.03.2021	At the End of 31.03.2021
	No.	Amount	No.	Amount
<b>Equity Shares</b>				
At the beginning of the Year	509,061,200	5,090.61	509,061,200	5,090.61
Add : Share issued during the year	—	—	—	—
<b>Outstanding at the end of the year</b>	<b>509,061,200</b>	<b>5,090.61</b>	<b>509,061,200</b>	<b>5,090.61</b>

**iii) Details of Shareholders Holding more than 5% of the Company**

Particulars	At the End of 31.03.2022	At the End of 31.03.2022	At the End of 31.03.2021	At the End of 31.03.2021
	No.	%	No.	%
RRP Management Services Pvt. Ltd.	44,881,000	8.82	44,881,000	8.82
Prabhat Management Services Pvt. Ltd.	43,756,000	8.60	43,756,000	8.60
<b>Total</b>	<b>88,637,000</b>	<b>17.41</b>	<b>88,637,000</b>	<b>17.41</b>

**iv) Shareholding of Promoters**

Shares held by Promoters at the end of the year		As at March 31,2022		
S. No.	Promoter Name	No. of Shares	% of Total Shares	% Change During the Year
1	Raj Kumar Modi HUF	5,40,000	0.11	-
2	Rekha Modi	86,40,000	1.70	-
3	Raj Kumar Modi	16,20,000	0.32	-
4	Pushpa Devi Modi	38,28,600	0.75	-
5	Prabhat Management Services Private Limited	4,37,56,000	8.60	-
6	RRP Management Service Private Limited	4,48,81,000	8.82	-
	<b>Total</b>	<b>10,32,65,600</b>	<b>20.29</b>	-



Shares held by Promoters at the end of the year		As at March 31,2021		
S. No.	Promoter Name	No. of Shares	% of Total Shares	% Change During the Year
1	Raj Kumar Modi HUF	5,40,000	0.11	-
2	Rekha Modi	86,40,000	1.70	-
3	Raj Kumar Modi	16,20,000	0.32	-
4	Pushpa Devi Modi	38,28,600	0.75	-
5	Prabhat Management Services Private Limited	4,37,56,000	8.60	-
6	RRP Management Service Private Limited	4,48,81,000	8.82	-
<b>Total</b>		<b>10,32,65,600</b>	<b>20.29</b>	<b>-</b>

(₹ in lakhs)

NON-FINANCIAL LIABILITIES	As At 31.03.2022	As At 31.03.2021
<b>20. OTHER EQUITY</b>		
<b>a) Statutory Reserve u/s 45IC</b>		
Balance at beginning of the year	271.90	235.59
Additions during the year	43.79	36.31
<b>Balance at end of the year</b>	<b>315.69</b>	<b>271.90</b>
<b>b) Share Premium Account</b>		
Balance at beginning of the year	613.54	613.54
Additions during the year	—	—
<b>Balance at end of the year</b>	<b>613.54</b>	<b>613.54</b>
<b>c) General Reserve</b>		
Balance at beginning of the year	—	—
Additions during the year	—	—
<b>Balance at end of the year</b>	<b>—</b>	<b>—</b>
<b>d) Issue of Convertible Warrants</b>		
Balance at beginning of the year	—	—
Add: Issue during the year	1732.50	—
<b>Balance at end of the year</b>	<b>1732.50</b>	<b>—</b>
<b>e) Surplus in Statement of Profit &amp; Loss</b>		
Balance at beginning of the year	1197.61	1054.27
Add: Profit/(loss) for the year	218.92	180.77
Less: Transfer to Statutory Reserve	43.79	36.31
Less: Provision for Standard Assets	12.43	1.13
<b>Balance at end of the year</b>	<b>1360.32</b>	<b>1197.60</b>
<b>Total Other Equity</b>	<b>4022.00</b>	<b>2083.04</b>

**Description of nature and purpose of each reserve:****(a) Statutory Reserve u/s 45IC**

Statutory Reserve is the reserve created by transferring the sum not less than 20% of its net profit after tax in terms of Section 45-IC of The Reserve Bank of India Act, 1934.



**(b) Share Premium**

Created to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Act.

**(c) General Reserve**

General reserve is created from time to time by transferring profits from retained earnings and can be utilised for purposes such as dividend payout, bonus issue, etc.

**(d) Issue of Convertible Warrants**

During the year Company has allotted 7,00,00,000 Convertible Warrants to Promoter and Non-Promoter Category on March 16, 2022 at the rate ₹9.90/- each. The Proposed Allottee(s) shall, on or before the date of allotment of Warrants, pay an amount equivalent to at least 25% of the Warrant Issue Price fixed per Warrant in terms of the SEBI (ICDR) Regulations, 2018 which will be kept by the Company to be adjusted and appropriated against the Warrant Issue Price of the Equity Shares. The balance 75% of the Warrant Issue Price shall be payable by the Warrant Holder at the time of exercising the Warrants

**(e) Retained Earnings**

Retained Earnings are the accumulated profits earned by the Company till date, less transfer to general reserves, special reserves, dividend (including dividend distribution tax) and other distributions made to the shareholders.

(₹ in lakhs)

	As At 31.03.2022	As At 31.03.2021
<b>21. Revenue from Operations</b>		
Interest Income	689.55	350.78
Income from Sale of Investment	11.59	—
Income from Comprehensive Investment	—	—
Income from Trading in Future & Option	10.78	—
Miscellaneous Income	26.27	192.49
	<b>738.19</b>	<b>543.27</b>
<b>22. Change in Inventories</b>		
Opening Stock of Shares	20.26	20.26
Closing Stock of Shares	24.82	20.26
	<b>-4.56</b>	<b>—</b>
<b>23. Employee Benefits Expenses</b>		
Salaries, Wages and Bonus	53.91	45.37
Staff Welfare Expense	2.12	2.06
	<b>56.03</b>	<b>47.43</b>
<b>24. Finance Costs</b>		
Interest Expense	71.34	64.52
	<b>71.34</b>	<b>64.52</b>
<b>25. Depreciation and Amortisation Expenses</b>		
Depreciation on Property, Plant and Equipment (Refer Note 10)	1.49	2.32
Amortisation of Intangible Assets (Refer Note 10)	—	—
	<b>1.49</b>	<b>2.32</b>



## Notes to Financial Statements for the year ended March 31, 2022

(₹ in lakhs)

	As At 31.03.2022	As At 31.03.2021
<b>26. Other Expenses</b>		
Advertisement Expenses	0.46	0.45
Bank Charges	—	0.09
Bad Debt Written Off	247.73	136.51
Board Meeting Fee	2.00	1.20
Books Paper & Periodicals	0.91	0.93
Computer Maintenance	0.12	0.02
Conveyance Expenses	3.01	3.54
Custodian Charges-CDSL/NSDL	4.14	3.12
Donation Expenses	1.00	—
GST RCM Expenses	0.58	—
Income Tax Expenses	—	1.20
Income Tax Appeal Fee	0.07	—
Ind Director Registration Fee	—	0.18
Interest Paid on Taxes	18.13	0.61
Legal and Professional Expenses	10.41	4.34
Loss in Trading in Future & Option	6.90	—
Miscellaneous Expenses	0.01	0.01
Office Expenses	4.19	3.94
Postage Expenses	2.00	2.60
Printing and Stationery	2.02	2.06
Rent Rates & Water, Electricity Charges	17.28	12.30
ROC Filling Fee	6.08	0.13
Share Trading Expenses	0.08	—
Stock Exchange Expenses	5.66	3.85
SEBI Penalty/Expenses	10.21	—
Stamp Duty Expenses	0.09	—
Travelling Expenses	0.35	—
Telephone Expenses	0.60	0.55
Vehicle Running & Maintenance Expenses	4.61	3.72
Website Development/Maintenance Expenses	1.42	—
	<b>350.05</b>	<b>181.35</b>
<b>Payment of Remuneration to Auditors</b>		
Limited Review Audit	0.18	0.18
Statutory Audit	1.48	1.48
Internal Audit	2.60	2.60
	<b>4.26</b>	<b>4.26</b>
	<b>354.31</b>	<b>185.61</b>
<b>27. Earnings per Share</b>		
Basic and Diluted Earnings per share (refer footnote)	0.04	0.04
Nominal value per share (in Rs.)	1.00	1.00
<b>Footnotes:</b>		
<b>(a) Profit attributable to equity shareholders</b>		
Profit for the year	218.92	180.77
<b>Profit attributable to equity holders of the company for Basic and Diluted EPS</b>	<b>218.92</b>	<b>180.77</b>



**(b) Weighted average number of shares used as the denominator**

Opening balance of issued equity shares	5,090.61	5,090.61
Effect of shares issued during the year, if any	—	—
<b>Weighted average number of equity shares for Basic and Diluted EPS</b>	<b>5,090.61</b>	<b>5,090.61</b>

**(c) At present, the Company does not have any dilutive potential equity share.**

**28. Contingent liabilities and commitments**

A demand of Rs. 2667.15 Lacs has been imposed on the Company by Income Tax Department as at March 31, 2022 (March 31, 2021 Rs. Nil). The Company has filed appeal before Commissioner of Income Tax (Appeals), Kanpur, against the said demands raised by the Income Tax Department.

**29. Disclosures relating to suppliers registered under Micro, Small and Medium Enterprise Development Act, 2006:**

	As At 31.03.2022	As At 31.03.2021
The principal amount and the interest due thereon remaining unpaid to any MSME supplier as at the end of each accounting year included in:	—	—
Principal amount due to Micro and Small Enterprises Interest due on above	—	—
The amount of interest paid by the buyer in terms of section 16 of the MSMED ACT 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	—	—
The amounts of the payments made to micro and small suppliers beyond the appointed day during each accounting period.	—	—
The amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointment day during the year) but without adding the Interest specified under the MSMED Act, 2006.	—	—
The amount of interest accrued and remaining unpaid at the end of each accounting year.	—	—
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible under section 23 of the MSMED Act 2006.	—	—

**30. Employee benefits**

The Company contributes to the following post-employment defined benefit plans in India.

**Defined contribution plans:**

The Company makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards provident fund and EDLI, which are defined contribution plans. The Company has no obligations other than to make the specified contributions. The contributions are charged to the Statement of Profit and Loss as they accrue.

There are no Contribution to Provident Fund as at March 31, 2022 (March 31, 2021 Rs. Nil).



### 31. ADDITIONAL DISCLOSURE REQUIREMENTS

**(i) Relationship With Struck off Companies**

The Company has not entered into any transactions with strike off companies.

**(ii) Registration of Charges or Satisfaction With Registrar of Companies (ROC)**

There are no charges or satisfaction yet to be registered with ROC beyond the statutory period.

**(iii) Compliance With Number of Layers of Companies:**

The Clause (87) of Section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017 is not applicable to the Company.

**(iv) Utilization of Borrowed Funds and Share Premium**

(A) The Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall:

- (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
- (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(B) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:-

- (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
- (ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

**(v) Undisclosed Income**

The Company has disclosed all its Income appropriately and in the ongoing Tax Assessments as well there has not been any such undisclosed income recognised by the relevant tax authorities.

**(vi) Details of Crypto Currency or Virtual Currency**

The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

**(vii) Disclosure of Benami Property**

The Company does not possess any benami property under the Benami Transactions (Prohibition) Act, 1985 and rules made thereunder.

**(viii) Disclosure of Borrowings**

The Company does not have any borrowings from banks and financial institutions during the year and as at March 31, 2022.

**(ix) Wilful Defaulter**

The Company has not been declared as Wilful Defaulter by any Bank or Financial Institution or other Lender.

**(x) Title Deeds of Immovable Properties not held in Name of the Company**

Title deeds of immovable properties (including properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are not held in the name of the company.

**(xi) Disclosure on Loans and Advances**

The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment, to promoters, directors, KMPs and the related parties (as defined under the Companies Act, 2013), either severally or jointly with any other person.





(xii) Financial Ratio

	As At 31.03.2022	As At 31.03.2021
Capital to Risk-weighted Assets Ratio (CRAR)	0.81%	0.73%
Tier I CRAR	0.81%	0.72%
Tier II CRAR	0%	0%
Liquidity Coverage Ratio for the quarter ended March 31	-0.2%	1.71%

32. Related Party Disclosures:

In accordance with the requirements of Ind AS 24 on Related Party Disclosures, the names of the related parties where control exists and/or with whom transactions have taken place during the year and description of relationships, as identified and certified by the management are:

**Details of Related Party Transactions for the year ended March 31, 2022**

**A) Enterprises in which Directors are interested**

- a. Amarendra Financial Pvt. Ltd.
- b. Dinkar Commercials Pvt. Ltd.

**B) Key Managerial Personnel**

- a. Mr. Raj Kumar Modi - Managing Director
- b. Mr. Chandresh Kumar Sharma - Chief Financial Officer
- c. Ms. Chetna Sajwan - Company Secretary (*Resigned w.e.f. 02-02-2022*)
- d. Mr. Kailash - Company Secretary (*Appointed w.e.f. 16-02-2022*)

**C) Non-Executive Directors**

- a. Mrs. Rekha Modi
- b. Mr. Prabhat Modi (*Appointed w.e.f. 24-11-2021*)
- c. Mr. Mahavir Prasad Garg
- d. Mr. Yogesh Kumar Garg
- d. Mr. Abhay Kumar (*Appointed w.e.f. 24-11-2021*)

**D) Transactions during the year ended March 31, 2022**

(₹ in lakhs)

Sr. No.	Particulars	Year Ended 31-03-2022
1.	<b>Enterprises in which directors are interested</b>	
	- Amarendra Financial Pvt. Ltd.	2460.18
	- Dinkar Commercials Pvt. Ltd.	0.46
2.	<b>Rent / Usage Charges Paid</b>	
	- Rekha Modi	10.62
3.	<b>Managerial Remuneration</b>	
	- <b>Key Management Personnel</b>	
	Salaries, Wages, Bonus, Commission and others Benefits	20.62
	- <b>Non - Executive Directors</b>	
	Director Sitting Fees	2.00

**Terms and conditions of transactions with the related parties:**

- i) The terms and conditions of the transactions with key management personnel were no more favorable than those available, or which might reasonably be expected to be available, on similar transactions to non-key management personnel related entities on an arm's length basis.
- ii) All outstanding balances with these related parties are priced on an arm's length basis and are to be settled in cash. None of the balances are secured.

**33. Public Deposits**

The Company has not accepted any deposits from public during the year ended on 31st March, 2022 & previous year ended on 31st March, 2021.

**34. Income taxes****A. Amounts recognised in profit or loss**

	As at March 31, 2022	As at March 31, 2021
<b>Current tax expense</b>		
Current year	72.77	61.26
Adjustment for prior years	0.78	—
	<b>73.55</b>	<b>61.26</b>
<b>Deferred tax expense</b>		
Change in recognised temporary differences	0.21	(0.61)
	<b>0.21</b>	<b>(0.61)</b>
<b>Total Tax Expense</b>	<b>73.76</b>	<b>60.65</b>

**B. Amounts recognised in Other Comprehensive Income**

	As at March 31, 2022			As at March 31, 2021		
	Before tax	Tax (Expense)/ Income	Net of tax	Before tax	Tax (Expense)/ Income	Net of tax
Remeasurements of defined benefit liability	—	—	—	—	—	—
Changes in fair value of financial instruments	37.66	—	37.66	(0.75)	—	(0.75)
	<b>37.66</b>	<b>—</b>	<b>37.66</b>	<b>(0.75)</b>	<b>—</b>	<b>(0.75)</b>

**Note :** Pursuant to Taxation Laws (Amendment) Ordinance 2019, the company intends to exercise the option permitted u/s 115BAA of the Income Tax Act, 1961 to compute Income Tax at the rate (i.e. 25.17%) from the current Financial Year. The Tax expense for the quarter and year ended March 31, 2022 is after considering the impact of Revised Tax Rates and accordingly by revising the annual effective Interest tax rates, deferred tax assets/liabilities have been re-measured.

35. There are no borrowing costs that have been capitalised during the year ended March 31, 2022 and March 31, 2021.
36. There have been no events after the reporting date that require adjustment/disclosure in these Financial Statements.
37. Provision for Tax is made for both Current and Deferred Taxes. Provision for current Income Tax is made on the Current Tax Rates based on assessable Income.
38. Balance due to / from some of the parties are subject to confirmation.
39. Previous year's figures are regrouped, reclassified and rearranged wherever considered necessary to confirm to current year's presentation.



40. Quantative information pursuant to the provisions of paragraphs 3, 4C, 4D of Part II of Schedule VI of the Companies Act.

Shares, Securities, Bonds & Commodities	Qty.	Amount
Opening Stock	<b>28,71,452</b>	<b>20,26,047</b>
(Previous Year)	28,71,452	20,26,047
Purchases	<b>500</b>	<b>4,56,277</b>
(Previous Year)	—	—
Sales	<b>—</b>	<b>—</b>
(Previous Year)	—	—
Closing Stock	<b>28,71,952</b>	<b>24,82,324</b>
(Previous Year)	28,71,452	20,26,047

As per our report of even date attached  
**FOR SUNIL K. GUPTA & ASSOCIATES**  
 Chartered Accountants  
 Firm Registration No.002154N

For and on behalf of the Board of Directors of  
**PMC FINCORP LIMITED**

**(CA MAHESH CHANDRA AGARWAL)**  
*Partner*  
 Membership No. : 088025

**(RAJ KUMAR MODI)**  
*Managing Director*  
 DIN : 01274171

**(REKHA MODI)**  
*Director*  
 DIN : 01274200

**Place** : New Delhi  
**Date** : 28.05.2022

**(CHANDRESH KUMAR SHARMA)**  
*Chief Financial Officer*

**(KAILASH)**  
*Company Secretary*  
 Membership No: A51199



**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)**

(₹ in lakhs)

Sr. No	Particulars	Amount Outstanding	Amount Overdue
	<b>Liabilities side</b>		
(1)	<b>Loans and advances availed by Non-Banking Financial Company inclusive of interest accrued thereon but not paid:</b>	<b>Amount Outstanding</b>	<b>Amount Overdue</b>
	(a) Debentures : Secured	-	-
	: Unsecured	-	-
	(other than falling within the meaning of public deposits*)		
	(b) Deferred Credits	-	-
	(c) Term Loans	-	-
	(d) Inter -Corporate Loans and Borrowing	2460.18	-
	(e) Commercial Paper	-	-
	(f) Other Loans	-	-

(₹ in lakhs)

Sr. No	Particulars	Amount Outstanding
	<b>Assets side</b>	
(2)	<b>Break-up of Loans and Advances including bills receivables (other than those included in (4) below:</b>	<b>Amount Outstanding</b>
	(a) Secured	-
	(b) Unsecured	10509.07
(3)	<b>Break-up of Leased Assets and stock on hire and other assets counting towards AFC activities</b>	
	(i) Lease assets including lease rentals under sundry debtors:	
	(a) Financial lease	-
	(b) Operating lease	-
	(ii) Stock on hire including hire charges under sundry debtors:	
	(a) Assets on hire	-
	(b) Repossessed Assets	-
	(iii) Other loans counting towards AFC activities	
	(a) Loans where assets have been repossessed	-
	(b) Loans other than (a) above	-





(₹ in lakhs)

<b>(5) Borrower group-wise classification of assets financed as in (2) and (3) above:</b>			
<b>Category</b>	<b>Amount net of provisions</b>		
	<b>Secured</b>	<b>Unsecured</b>	<b>Total</b>
<b>(1) Related Parties**</b>			
(a) Subsidiaries	-	-	-
(b) Companies in the same group	-	-	-
(c) Other Related Parties	-	-	-
<b>(2) Other than related parties</b>	-	10509.07	10509.07
<b>Total</b>	-	<b>10509.07</b>	<b>10509.07</b>

<b>(6) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):</b>			
<b>Category</b>	<b>Market Value/ Break up or fair value or NAV</b>	<b>Book Value (Net of Provisions)</b>	
<b>(1) Related Parties**</b>			
(a) Subsidiaries	-	-	-
(b) Companies in the same group	-	-	-
(c) Other Related Parties	-	-	-
<b>(2) Other than related parties</b>	117.97	344.57	
<b>Total</b>	<b>117.97</b>	<b>344.57</b>	

\*\* As per Accounting Standard of ICAI

(₹ in lakhs)

<b>(7) Other information</b>	
<b>Particulars</b>	<b>Amount</b>
<b>(i) Gross Non-Performing Assets</b>	
(a) Related Parties	-
(b) Other than Related Parties	-
<b>(ii) Net Non-Performing Assets</b>	
(a) Related Parties	-
(b) Other than Related Parties	-
<b>(iii) Assets acquired in satisfaction of debt</b>	-

# PMC Fincorp Limited

Corporate Office :  
201 & 202 Second Floor Rattan Jyoti Building,  
18, Rajendra Place, New Delhi-110008