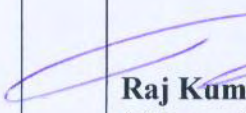


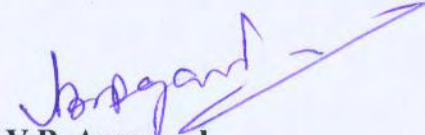


FORM A
(Pursuant to Requirement under Clause 31 of Listing Agreement)

1.	Name of the Company	PMC Fincorp Limited (Formerly Priti Mercantile Company Limited)
2.	Annual Financial Statements for the year ended	31 st March, 2014
3.	Type of Audit observation	Un-qualified
4.	Frequency of observation	Not Applicable
5.	<p>Signed by</p> <div style="display: flex; flex-direction: column; align-items: center;"> <div style="display: flex; align-items: center; margin-bottom: 20px;">   </div> <p>Raj Kumar Modi (Managing Director)</p> <div style="display: flex; align-items: center; margin-bottom: 20px;">  <div style="margin-left: 10px;"> <p><i>(mm)</i> <i>for</i> <i>MN 86085</i></p> </div> </div> <p>Manmohan Goyal Partner M.M. Goyal & Co. Statutory Auditors</p> <div style="display: flex; align-items: center; margin-bottom: 20px;">  </div> <p>V.B. Aggarwal Chairman Audit Committee</p> </div>	



PMC Fincorp Limited

29th Annual Report 2013-14



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29th ANNUAL GENERAL MEETING	
DATE	27.09.2014
DAY	Saturday
TIME	10:00 A.M.
PLACE	Modipur Hotel, Bareilly Road, Rampur, Uttar Pradesh-244901
BOOK CLOSURE DATES	23.09.2014 to 27.09.2014 (both days inclusive)



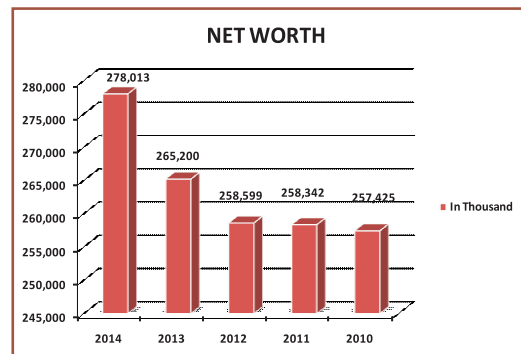
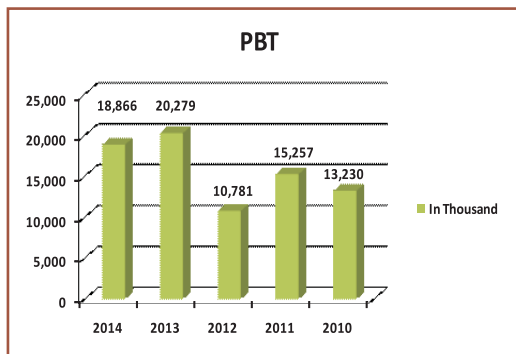
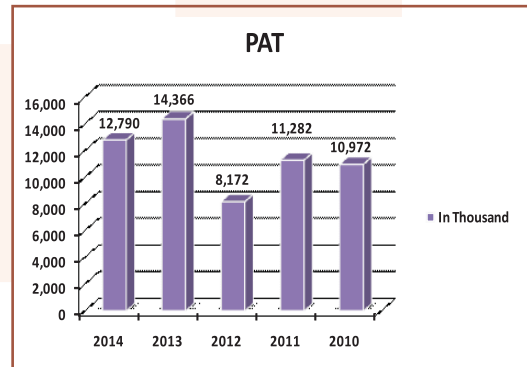
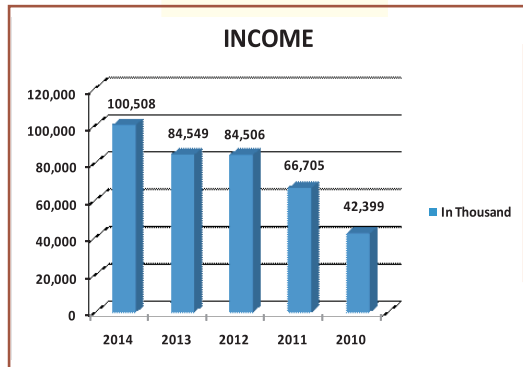
CORPORATE INFORMATION

<u>BOARD OF DIRECTORS</u>	
Mr. Raj Kumar Modi	DIN : 01274171 Managing Director
Mrs. Rekha Modi	DIN : 01274200 Director
Mr. Pramod Gupta	DIN : 03174350 Director
Mr. V. B. Aggarwal	DIN : 02852498 Director
<u>AUDITORS</u>	
M/s M. M. Goyal & Co. Chartered Accountants, Membership No. 086085 208, Allied House, Inderlok, Delhi-110035.	CIN L27109UP1985PLC006998 Date of Incorporation 6998 of 1985 dated 04.02.1985 Commencement of Business 6998 of 1985 dated 15.04.1985 PAN AADCP1611J
<u>BANKERS</u>	
HDFC Bank Ltd. ICICI Bank Limited Bank of Baroda	<u>REGISTRAR & TRANSFER AGENT</u> Indus Portfolio Pvt. Ltd. G-65, Bali Nagar, New Delhi - 110 015 Phone : 011-47671214, 47671217 E-mail : bharatb@indusinvest.com
OFFICES	
<u>REGISTERED OFFICE</u> B-10, VIP Colony, Civil Lines, Rampur - 244901 (U.P.)	<u>CORPORATE OFFICE</u> 15/76, 2nd Floor, Old Rajender Nagar, New Delhi - 110 060.
CONTACT DETAILS	
Tel : 011 - 42436847 Mob : 09810513994	Email : prtimercantile@gmail.com Website : www.pmcfinance.in
COMPANY SECRETARY	
Mr. Raman Kumar	
IMPORTANT COMMUNICATION TO THE MEMBERS	
<p><i>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.</i></p>	

**LAST FIVE YEARS AT A GLANCE**

(₹ in Thousand)

Sl. No.	Particulars/Financial Year	20013-14	20012-13	20011-12	20010-11	2009-10
1	Sales/Income from operation	100508	84549	84506	66705	42399
2	PBT	18866	20279	10781	15257	13230
3	Tax/Defered Tax	6077	5913	2609	3975	2258
4	PAT	12790	14366	8172	11282	10972
5	Dividend	—	5%	5%	10%	10%
6	Equity Capital	240780	133767	133767	89178	89178
7	Reserve & Surpluse	37233	131433	124832	169164	168247
8	Net Worth	278013	265200	258599	258342	257425
9	EPS (₹5/- per share)	0.29	0.53	0.71	1.26	1.23
10	Book Value (₹5/- per share)	5.77	9.91	19.33	28.97	28.86





NOTICE

Notice is hereby given that the 29th Annual General Meeting of the Members of **PMC FINCORP LIMITED** (formerly PRITI MERCANTILE COMPANY LIMITED) will be held on **Saturday, the 27th day of September, 2014 at 10.00 A.M.** at the Modipur Hotel, Bareilly Road, Rampur, Uttar Pradesh-244901 to transact the following business:-

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the company for the year ended on 31st March, 2014 together with the Auditors' and the Directors' Reports thereon.
2. To appoint a director in place of Mrs. Rekha Modi (DIN: 01274200), Director of Company who retires by rotation and being eligible offers herself for re-appointment.
3. To consider and if thought fit, to pass, with or without modifications, the following resolution as an Ordinary Resolution.

"RESOLVED that in accordance with applicable provisions of the Companies Act, 2013, and the rules made thereunder (including any statutory modification or re-enactment thereof), the retiring auditors, M/s. M.M. Goyal & Co., Chartered Accountants (FRN: 007198N), be and are hereby appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting on remuneration to be fixed by the Board of Directors."

SPECIAL BUSINESS:

4. 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 Sections 149, 150 and 152 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder and Clause 49 of the Listing Agreement (including any statutory modifications or re-enactment thereof and any rules made thereunder, for the time being in force) and subject to such other approvals as may be required, Mr. Vishnu Bhagwan Aggarwal (DIN: 02852498), Director of the Company and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Independent Director not liable to retire by rotation, is hereby appointed as an Independent Director of the Company to hold office for a period up to date of 29th April, 2015."

5. 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 Sections 149, 150 and 152 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder and Clause 49 of the Listing Agreement (including any statutory modifications or re-enactment thereof and any rules made thereunder, for the time being in force) and subject to such other approvals as may be required, Mr. Pramod Gupta (DIN: 03174350), Director of the Company and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Independent Director not liable to retire by rotation, is hereby appointed as an Independent Director of the Company to hold office for a period upto date of 29th April, 2015."

6. 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 Sections 13 & 61 and other applicable provisions, if any, of the Companies Act, 2013 and subject to such approvals, permissions, sanctions, confirmations, as may be required under any law for the time being in force, the consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company for:

- a) The sub-division of the nominal value of the existing equity shares of the Company from Rs. 5/- each into Rs. 1/- each.



- b) Amendment to the existing Clause V of the Memorandum of Association of the Company relating to the share capital by deleting the same and substituting in its place the following new 'Clause V'.

"V. The Authorised Share Capital of the Company is Rs. 25,00,00,000/- (Rupees Twenty Five Crores) divided into 25,00,00,000 (Twenty Five Crores) Equity Shares of Rs. 1/- (Rupees One) each.

The Company has power from time to time to increase or reduce its capital and to divide the shares in the capital from the time being into other classes and to attach thereto respectively such preferential, deferred, qualified or other special rights, privileges, conditions or restrictions, as may be determined by or in accordance with the Articles of Association of the Company and to vary, modify or abrogate any such rights, privileges or conditions or restrictions in such manner for the time being be permitted by the Articles of Association of the Company or the legislative provisions for the time being in force in that behalf."

7. To consider and, if thought fit to pass with or without modification(s), the following resolution as a **SPECIAL RESOLUTION**:

"RESOLVED THAT pursuant to the provisions of Section 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 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 and Articles of Association of the Company and subject to the approval of Central Government or other Government authority/agency/board, if any, the consent of the shareholders of the Company be and is hereby accorded to re-appoint Mr. Raj Kumar Modi as the Managing Director of the Company for a period of three years with effect from 3rd November, 2014 to 2nd November, 2017.

FURTHER RESOLVED THAT pursuant to the provisions of Section 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013 and Articles of Association of the Company and subject to the approval of Central Government or other Government authority/agency/board, if any, approval of the Company be and is hereby accorded to pay a remuneration of Rs. 24,00,000/- (Rupees Twenty Four Lacs only) per annum to Mr. Raj Kumar Modi, Managing Director of the Company, the details of which are given in the Explanatory Statement annexed hereto.

FURTHER RESOLVED THAT the consent of the shareholders of the Company be and is hereby also accorded that where in any financial year the Company has no profits or inadequate profits then remuneration as decided above be paid with the prior approval of the Central Government.

FURTHER RESOLVED THAT the Board of Directors of the Company or any committee thereof be and is hereby also authorized to amend, alter, modify or otherwise vary the terms and conditions of appointment of Mr. Raj Kumar Modi, Managing Director, including the components of the above mentioned remuneration payable to him subject to the overall cap of Rs. 24,00,000/- (Rupees Twenty Four Lacs only) per annum."

8. To obtain consent of the members on limit of borrowing power to be exercised by the Board of Directors of the company in terms of the provisions of Section 180(1) (c) and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as **Special Resolution**:

RESOLVED THAT the consent of the Company be and is hereby accorded in terms of the provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modifications or re-enactment thereof, for the time being in force) to the Board of Directors (hereinafter referred to as "the Board" which term shall include any Committee thereof) to borrow monies, for the business of the Company, whether unsecured or secured by mortgage, charge, hypothecation or lien or pledge or otherwise on the company's assets and properties whether movable or immovable, in Indian or Foreign Currency or by way of issue of debentures/bonds or any other security(ies), from time to time, from any Bank(s)/Financial Institutions or any other Institution(s), firms, body corporate(s) or other person(s), in India or abroad, apart from temporary loans obtained/to be obtained from the Company's bankers in the ordinary course of business, provided that money already borrowed together with money to be borrowed under this resolution and remaining outstanding at any time shall not exceed the aggregate of Rs. 100 Crores (Rupees One Hundred Crores) in excess of the paid up capital and free reserves of the Company for the time being.



RESOLVED FURTHER THAT the Board of Directors or any person(s) authorised by the Board, be and is/are hereby authorised to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution.

By Order of the Board
For PMC FINCORP LIMITED

Place : New Delhi
Date : 14.07.2014

(RAMAN KUMAR)
Company Secretary

NOTES:

1. A Member entitled to attend and vote at the meeting and is entitled to appoint one or more proxies to attend and vote instead of himself/herself and such proxy need not be a member of the company. A person can act as proxy on behalf of members not exceeding fifty members (50) and holding in the aggregate not more than ten percent of the total share capital of the company at the AGM.
2. The Instruments appointing the proxy (duly completed, stamped and signed) must be received at the registered office of the company not less than 48 Hours before the commencement of meeting. A proxy form is sent herewith. Proxies submitted on behalf of the companies, societies, etc must be supported by an appropriate resolution/authority, as applicable.
Inspection of Documents: All materials documents relating to the aforesaid items of the agenda of the notice are available for the inspection by the members at the Regd. Office of the company on any working day between 11.00 A.M. to 1.00 P.M. prior to the date of meeting.
3. Members are requested to bring their attendance slip along with the copy of Annual Reports at the meeting.
4. The Explanatory Statement pursuant to under section 102 of the Companies Act, 2013, in respect of special business is annexed hereto.
5. The Shares Transfer Book and Members Register of the Company will remain closed from 23rd September, 2014 to 27th September, 2014 (both days Inclusive) in terms of the provision of section 91 of the Companies Act, 2013.
6. Members are requested to note that pursuant to the provisions of the section 205 (c) of the Companies Act, 1956, the amount of dividend which remains unpaid/unclaimed for a period of 7 years would be transferred to the 'Investor Education and Protection Fund' constituted by Central Government. Shareholders who have not have encashed their dividend warrant(s) for the year 2010-11, 2011-12 and 2012-13 are requested to make claim with the company as no claim shall lie against the fund of the company in respect of individual amount once credited to the said fund.
7. Members holding shares in physical form are requested to intimate immediately to the registrar & share transfer agents of the company M/s Indus Portfolio Pvt. Ltd., G- 65, Bali Nagar, New Delhi- 110015 quoting registered folio no. change in their address, if any with pin code number. The following information to be incorporated on the dividend warrants may also be furnished:
 1. Name of sole/ first joint holder and folio number
 2. Particulars of Bank account, viz.
 - (a) Name of bank
 - (b) Name of Branch
 - (c) Complete address of the bank with pin code number
 - (d) Bank account number allotted by the bank and nature of the account (saving/current etc.)



8. In terms of section 72 of the Companies Act, 2013, the shareholders of the company may nominate a person on whom the shares held by him/them shall vest in the event of his/her death, shareholders desirous of availing this facility may submit nomination in form no. SH 13.
9. Members desirous of seeking any information/clarification on accounts or operations of the company are requested to write to the company at least 10 days before the date of the meeting to enable the management to keep the information ready.
10. In case of joint holders attending the meeting only such joint holders who are higher in the order of names will be entitled to vote.
11. In respect of the matters pertaining to bank details, ECS mandates, nomination, power of attorney, change in name/address etc., the members are requested to approach the company's registrar and share transfer agents, in respect of shares held in physical form and the respective depository participants in case of shares held in electronic form. In all correspondence with the company's registrar and share transfer agents members are requested to quote their account/ folio numbers or DP ID and Client ID for physical or electronic holding respectively.
12. To facilitate trading in equity shares in dematerialized form, the company has entered into agreement with NSDL and CDSL members can open account with any depository participant's registered with NSDL or CDSL.
13. The Securities and Exchange Board of India vide its circular no. CIR/CFD/DIL/10/2010, dated 16 December 2010, amended clause 5A of equity listing agreement for the dealing with unclaimed shares in physical form. In compliance with this amendment, the company has sent all three reminders to such shareholders whose share certificate are in undelivered form requesting them to update their correct details viz. postal address, PAN details etc. registered with the company. The company has transferred all the shares into the folio in the name of "Unclaimed Suspense Account".
14. As a part "green initiative in the corporate governance", the ministries of corporate affairs vide its circular no's. 17/2011 and 1/2011 dated 21.04.2011 respectively, has permitted the companies to serve the documents, namely, notice of the general meeting, balance sheet, profit and loss account, auditors' report, directors' report, etc. to the members through E-mail. The shareholders holding shares in physical form are requested to register their E-mail address with the registrar and share transfer agents by sending duly signed requested letter quoting their folio no., name address in case of shares held in demat form, the shareholders may register their E-mail addresses with their DPs (Depository Participants).
15. Brief resume of all directors proposed to be appointed, nature of their expertise in specific functional area, name of companies in which they hold directorships and memberships/ chairmanships of board of committees, shareholding and relationships between directors inter-se as stipulated under clause 49 of the Listing Agreement with the stock exchange are provided in the report on Corporate Governance forming part of the Annual Report.
16. The notice of the AGM alongwith the Annual Report 2013-14 is being sent by the electronic mode to those members whose e-mail address registered with the company/depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail address, physical copies are being sent by the permitted mode.
17. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during office hours on all working days except Saturdays between 11.00 a.m. to 4.00 p.m. up to the date of declaration of the result of the 29th Annual General Meeting of the Company.



EXPLANATORY STATEMENT

(Pursuant to section 102 of the Companies Act, 2013)

As required by section 102 of the Companies Act, 2013 (Act), the following explanatory statement sets out all material facts relating to the business mentioned under Item Nos. 4, 5, 6 & 7 of the accompanying Notice:

Item no. 4 & 5:

The Company had, pursuant to the provisions of clause 49 of the Listing Agreements entered with the Stock Exchanges, appointed Mr. Vishnu Bhagwan Aggarwal and Mr. Pramod Gupta, as Independent Directors at various times, in compliance with the requirements of the clause.

Pursuant to the provisions of section 149 of the Act, which came in to effect from April 1, 2014, every listed public company is required to have at least one-third of the total number of directors as independent directors, who are not liable to retire by rotation.

The Nominations Committee has recommended the appointment of these directors as Independent Directors up to April 29, 2015.

Mr. Vishnu Bhagwan Aggarwal and Mr. Pramod Gupta, Independent Directors of the Company, have given a declaration to the Board that they meet the criteria of independence as provided under section 149(6) of the Act. In the opinion of the Board, both the directors fulfill the conditions specified in the Act and the Rules framed thereunder for appointment as Independent Director and they are independent of the management.

In compliance with the provisions of section 149 read with Schedule IV of the Act, the appointment of these directors as Independent Directors is now being placed before the Members for their approval.

The terms and conditions of appointment of the above Directors shall be open for inspection by the Members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

Your Directors recommend the resolution for your approval.

Except Mr. Vishnu Bhagwan Aggarwal & Mr. Pramod Gupta, being appointees, none of the Directors & Key Managerial Personnel of the Company including their relatives are, in any way concerned or interested in the said Resolution. This statement may also be regarded as a disclosure under clause 49 of the Listing agreement with the Stock Exchanges.

Item No. 6:

The Equity Shares of the Company is compulsorily traded in the demat mode at the U.P. Stock Exchange Limited and BSE Limited. Having regard to the present market price of the shares it is necessary to sub- divide the existing nominal value of the Shares so that there is liquidity in the scrip in the market and the investors can make investment in small quantities within their affordable limits. Further the sub-division of the Shares will also enable the Shareholders to sell shares in any quantity without being restricted to market lot market.

The Board discussed the matter in detail and after extensive deliberations it was decided to sub- divide the nominal value of the existing Equity Share of the company from Rs. 5/- to Rs. 1/- each.

Your Directors recommend the resolution for your approval.

None of the Directors & Key Managerial Personnel of the Company including their relatives are, in any way concerned or interested in the said Resolution.



Item No. 7:

Mr. Raj Kumar Modi aged 47 years, is a Managing Director of the Company and having rich and vast experience over 19 years in the field of Finance and Capital Market. He has a degree in B. Com.

His current term of appointment as Managing Director of the company will expire on 2nd November, 2014. His knowledge on various aspects relating to companies affairs and long business experience, the Board of Directors is of the considered opinion that for smooth and efficient running of the business, the services of Mr. Raj Kumar Modi should be available to the Company for a further period of three years with effect from 3rd November, 2014.

In terms of the provisions of the Companies Act, and the Article of Association of the company, the nomination & remuneration of the Board and the board of directors have their meeting held on 30th May, 2013, re-appoint him as Managing Director of the Company for a further period of three years with effect from 3rd November, 2014 on the current remuneration of Rs.24,00,000/- (Rupees Twenty Four Lacs only) per annum. In case the company has no profits or inadequate profits, then remuneration shall be paid to him with the prior approval of the Central Government or in accordance with the provisions of the companies Act, 2013 read with schedule V of the Act.

Following are the details of the annual salary (payable monthly) proposed to be made to Mr. Raj Kumar Modi, Managing Director.-

Consolidated Salary, Perquisites and Performance Bonus, etc Rs. 24,00,000/- (Rupees Twenty Four Lacs only).

Your Directors recommend the resolution for your approval.

Except Mr. Raj Kumar Modi, being an appointee, none of the Directors & Key Managerial Personnel of the Company including their relatives are, in any way concerned or interested in the said Resolution. This statement may also be regarded as a disclosure under clause 49 of the Listing agreement with the Stock Exchanges.

Item No. 8:

Section 180(1)(c) of the Companies Act, 2013, provides that the Board of Directors of a public company shall not except with the consent of the Company in General Meeting borrow monies in excess of the Company's paid up share capital and free reserves (apart from temporary loans obtained and/or to be obtained from the Company's bankers in the ordinary course of business). In terms of Section 180(1)(c) of Companies Act, 2013 the resolution is required to be passed as Special Resolution by the members.

The resolution, if passed, will have the effect of allowing the Board of Directors of the Company to exercise borrowing power upto Rs. 100 Crores, in excess of the Company's paid up share capital and free reserves (apart from temporary loans obtained and/or to be obtained from the Company's bankers in the ordinary course of business), from various sources and persons as stated in resolution and these may or may not include borrowings from directors or relatives of any of the directors on terms and conditions as may be approved by Board of Directors in this regard subject to compliance of various regulatory requirements including guidelines as issued by Reserve Bank of India from time to time.

The Board recommends the resolution for the approval of the members as a Special Resolution.

Save as aforesaid, none of the Directors, Key Managerial Personnel of the Company or their relatives are in any way, concerned or interested in the resolution.

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

Place : New Delhi
Date : 14.07.2014

(RAMAN KUMAR)
Company Secretary



Name of the Director alongwith DIN	Mr. Raj Kumar Modi (DIN: 01274171)	Mrs. Rekha Modi (DIN: 01274200)	Mr. Vishnu Bhagwan Aggarwal (DIN: 02852498)	Mr. Pramod Gupta (DIN: 03174350)
Date of Birth	13/11/1967	07/02/1970	30/11/1960	12/09/1961
Relationship with other Directors inter-se	Husband of Mrs. Rekha Modi	Wife of Mr. Raj Kumar Modi	None	None
Date of Appointment	27/01/2003	17/12/2009	30/04/2010	30/04/2010
Expertise in specific functional areas	Rich & vast experience of over 19 years in Financial Market	Experience in Capital Market, Company Law & Finance	Experience in Financial Matters & Corporate Law /Income Tax	Experience in Marketing in Financial Products Financial Matters
Qualification	B. Com	Bsc, LLB	B.Com, FCA	B.Com
No. of Equity Shares held in the Company	162000	864000	NIL	NIL
List of other companies in which Directorships are held	Filmcity Media Ltd.	NIL	NIL	NIL
List of Committees of the Board of Directors (across all companies) in which Chairmanship / Membership	NIL	NIL	NIL	NIL

Note:

1. Directorships and Committee memberships in PMC Fincorp Limited and its Committees are not included in the aforesaid disclosure.
2. Alternate directorship, directorships in Private Limited Companies, Foreign Companies and Section 8 Companies and their Committee memberships are excluded.
3. Membership and Chairmanship of Audit Committees and Investor Grievance Committees of only public Companies have been included in the aforesaid table.



E-Voting

E-Voting for the 29th Annual General Meeting of PMC Fincorp Limited

- 1 Pursuant to Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the 29th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by National Securities Depository Limited (NSDL):

The instructions for e-voting are as under:

- (i) The Notice of the 29th AGM of the Company *inter alia* indicating the process and manner of e-Voting process along with printed Attendance Slip and Proxy Form is being dispatched to all the Members. Initial password is provided as below /at the bottom of the Attendance Slip for the 29th AGM:

EVEN (E Voting Event Number)	USER ID	PASSWORD/PIN

- (ii) NSDL shall also be sending the User-ID and Password, to those members whose shareholding is in the dematerialized format and whose email addresses are registered with the Company/Depository Participants(s). For members who have not registered their email address, can use the details as provided above and please follow all steps from Sl. No. III to Sl. No. XII.
- (iii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
- (iv) Click on **Shareholder - Login**
- (v) Put user ID and password as initial password noted in step (i) above Click Login.
- (vi) Password change menu appears. Change the password with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (vii) Home page of e-Voting opens. Click on **e-Voting: Active Voting Cycles**.
- (viii) Select "**EVEN**" of **PMC Fincorp Limited**. Members can cast their vote online from **September 21, 2014 (9:00 am) till September 23, 2014 (6:00 pm)**.
- (ix) Now you are ready for e-Voting, as Cast Vote page opens
- (x) Cast your vote by selecting appropriate option and click on "**Submit**" and also "**Confirm**" when prompted.
- (xi) Upon confirmation, the message "**Vote cast successfully**" will be displayed
- (xii) Once you have voted on the resolution, you will not be allowed to modify your vote

Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail ashugupta.cs@gmail.com or prtimercantile@gmail.com with a copy marked to **evoting@nsdl.co.in**.

2. 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 Downloads section of www.evoting.nsdl.com.
3. If you are already registered with NSDL for e-voting then you can use your existing user ID and password for casting your vote.
4. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).





5. The e-voting period commences on **September 21, 2014 (9:00 am) till September 23, 2014 (6:00 pm)**. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of **September 19, 2014**, may cast their vote electronically. The e-voting module shall also be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
6. The voting rights of Shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on **Friday, September 19, 2014**.
7. Since the Company is required to provide members facility to exercise their right to vote by electronic means, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of **September 19, 2014** and not casting their vote electronically, may only cast their vote at the Annual General Meeting.
8. Ms. Ashu Gupta (CP No. 6646) of M/s Ashu Gupta & Co. Company Secretaries New Delhi has been appointed as the Scrutinizer to scrutinize the e-Voting process in a fair and transparent manner.
9. The Scrutinizer shall within a period of not exceeding three(3) working days from the conclusion of the e-Voting period unlock the votes in the presence of atleast two(2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
10. The Results shall be declared on or after the 29th Annual General Meeting of the Company. The Results declared alongwith the Scrutinizer's Report shall be placed on the Company's website www.pmcfinance.in and on the website of NSDL within two(2) days of passing of the resolutions at the 29th Annual General Meeting of the Company on **27th September, 2014** and communicated to the BSE Limited where the shares of the Company are listed.

**DIRECTORS' REPORT**

To,
The Shareholders,
PMC FINCORP LIMITED

Your Directors have pleasure in presenting the 29th Annual Report along with the Audited Accounts of your Company for the year ended on 31st March 2014.

1. FINANCIAL HIGHLIGHTS

	Year ended 31.03.2014	Year ended 31.03.2013
Gross Income	100,508,331	84,549,482
Total Expenditure	81,641,366	64,270,421
Net Profit for the year	18,866,965	20,279,062
Less: Provision for Tax	6,068,121	5,909,065
Profit after Tax	12,798,844	14,369,906
Add/Less: Deferred Tax Liabilities	8,669	3,892
	12,790,175	14,366,104
Profit brought from previous year	20,780,972	17,077,016
Profit available for Appropriation	33,571,147	31,443,120
Proposed Dividend	—	6,688,350
Tax on Proposed Dividend	—	1,100,578
	33,571,147	23,654,192
Transfer to Statutory Reserve	2,773,778	2,873,221
Balance Carried to Balance Sheet	30,797,369	20,780,971

The Company had a strong year aided by robust volume growth, prudent operating cost management and low NPAs. Over the years, our company has steadily broadened its business activities to cover a wide spectrum of services in the financial intermediation space with the basic focus on investment & finance. Though the company is not able to achieve higher net profit but has achieved a growth of 19% in its gross revenue.

2. DIVIDEND

In view of the requirement of funds for the expansion of company, your Directors do not consider it desirable to recommend any dividend in the current year.

3. NBFC REGISTRATION

The company has been registered with Reserve Bank of India as Non Banking Finance Company vide Registration No. 12.00128 dated 1st April 1998. Your Company has complied with all applicable regulations prescribed by the RBI from time to time.

4. FUTURE OUTLOOK

With the recent change in Government, there is widespread optimism with regard to economic revival and higher growth rate in industry which is back bone for financial sector as well.

Due to the increase in finance space by NBFCs, the RBI's surveillance has increased. Through its various regulatory measures NBFCs are brought under stricter supervisory regime of RBI. While several steps are being taken to increase the role that the NBFCs play, norms are being strengthened to ensure that there is a strong, transparent and robust non banking financial sector.



PMC Fincorp Limited expects to maintain its performance in FY2015 and hopes to grow at a rate faster than the growth of bank credit. The approach would be to continue with the growth momentum while balancing risk. As before, it will continue to invest in strengthening risk management practices; and in maintaining its investment in technology and human resources to consolidate its position as a leading NBFC in India.

5. BOARD OF DIRECTORS

Mrs. Rekha Modi, Director of the Company retire by rotation and being eligible offer herself for re-appointment. The Board of Directors recommends their re-appointment.

The Company has received Notices under Section 160 of the Companies Act, 2013 from members signifying their intention to propose Mr. Vishnu Bhagwan Aggarwal and Mr. Pramod Gupta as a candidate for the office of Independent Directors up to a date 29th April, 2015.

The Company has also received the requisite disclosures/declarations from Mr. Vishnu Bhagwan Aggarwal and Mr. Pramod Gupta, Independent Directors of the Company confirming that they meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Companies Act, 2013 and under Clause 49 of the Listing Agreement with the Stock Exchanges.

Mr. Raj Kumar Modi, Managing Director of the Company re-appointed for a further period of three years with effect from 03rd November, 2014 to 2nd November, 2017

6. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirements of Section 217(2AA) of the Companies Act, 1956 with respect to Directors' Responsibility Statement, your Directors hereby confirm that:

- i) In the preparation of the annual accounts for the financial year ended 31st March, 2014, the applicable accounting standards had been followed except as disclosed and explained in this report.
- ii) They had selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the year on that date.
- iii) They had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv) They had prepared the accounts for the financial year ended 31st March, 2014 on a 'going concern' basis.

7. AUDITORS

M/s M. M. Goyal & Co., Chartered Accountants (FRN: 007198N), the Statutory Auditors New Delhi retire at the ensuing annual general meeting but being eligible offer themselves for re-appointment. The Company has received the letter from the auditors to the effect that their appointment if made it would be within the prescribed limits under Section 141(3)(g) of the Companies Act, 2013 (Erstwhile Section 224(1)(B) of the Companies Act, 1956).

Your Directors recommend re-appointment of M/s M. M. Goyal & Co. as the Statutory Auditors of the Company.

8. AUDITORS REPORTS

The observation of the Statutory Auditors in their reports, read with notes annexed to accounts, are self explanatory and therefore do not call for the any further comments and explanations.

9. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The provision of Section 217 (1)(e) of the Companies Act, 1956 relating to conservation of energy and technology absorption in not applicable on the company. During the year under review their has been no foreign exchange earnings and outgo.



10. PUBLIC DEPOSITS

The Company has not accepted any public deposits and as such, no amount on account of principal or interest on public deposits was outstanding as on the date of Balance Sheet.

11. DEMATERILISATION OF SHARES

Your Company has connectivity with NSDL & CDSL for dematerilisation of its equity shares. The ISIN no. INE793G01027 has been allotted for the company. Therefore, the member and/ or investors may keep their share holding in the electronic mode with their Depository Participates.

12. SHARE CAPITAL

During the year company has increased its authorized share capital from Rs. 15 Crores to Rs. 25 Crores by creating 2 Crore new equity shares of Rs. 5 each. Further Paid Capital has also been increased from Rs. 13,37,67,000/- to Rs. 24,07,80,600/-.

13. BONUS SHARES

Your Company has issues bonus shares during the year by capitalizing the free reserves. Bonus shares were issued in the ratio of 8(Eight) equity shares for every 10(Ten) equity shares held by the members. Bonus shares were credited to the beneficiary accounts of members with their respective depositories. Where ever the members are holding shares in physical form the shares certificates have already been dispatched to their registered address.

14. ISSUE OF FURTHER CAPITAL THROUGH PRIVATE PLACEMENT

Company has proposed to raise further capital from its promoters by issuing shares through preferential allotment. The same was duly approved by the members in Extra Ordinary General Meeting held on 27th February 2014. Accordingly an offer for issuance of 5 lac warrants convertible in to equity shares at a price of Rs. 500/- per share(including a premium of Rs. 495/- per share) was issued to the promoters. Which is accepted by the promoters. The process of issue of capital is completed in the month of April 2014.

15. SUB-DIVISION OF SHARES

With a view to provide more liquidity to the members of company, The Board has proposed to sub divide the share capital of company from Rs. 5/- per shares to Rs. 1/- per shares. On completion of the process of sub division every member will get 5 shares of Rs. 1 /- each in lieu of every existing share of Rs. 5/- each.

16. CHANGE OF NAME OF COMPANY

The Registrar of Company, Uttar Pradesh has issued Fresh Certificate of Incorporation consequent upon change of name dt. 20th March 2014 confirming the change of name of company from Priti Mercantile Company Ltd to PMC Fincorp Limited.

17. PERSONNEL

Your Directors wish to acknowledge the support and valuable contributions made by the employees, at all levels. We continue to train and motivate our workforce to enhance their contributions, towards the goal of your company.

There has been no employee who has drawn remuneration as stipulated under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, hence not applicable.

18. LISTING INFORMATION

The Company's shares are listed with U.P. Stock Exchange Ltd., Kanpur (U.P.) and 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.



19. MANAGEMENT DISCUSSION AND ANALYSIS

As required by Clause 49 of the listing agreement with the stock exchange, a detailed review by the Management of the operations, performance and future outlook of the company and its business, is presented in a separate section- management discussion and analysis and form part of this report.

20. CORPORATE GOVERNANCE REPORT

The company has complied with the requirements of corporate governance as prescribed under clause 49 of the listing agreement with the stock exchanges. A report on Corporate Governance Along with a Certificate from the Statutory Auditors, confirming the compliance, forms part of this Report.

21. COMPLIANCE WITH THE CODE OF CONDUCT

A declaration by the Managing Director affirming compliance with the company's Code of Conduct by Directors and senior Management for FY14, as required under Clause 49 of the Listing agreement with stock Exchange is annexed and forms part of this Report.

22. CASH FLOW STATEMENT

In conformity with the provisions of Clause 32 of the Listing Agreement with the Stock Exchanges, the Cash Flow Statement for the year ended 31 March 2014 is annexed hereto.

23. ACKNOWLEDGEMENT AND APPRECIATION

The Directors place on record their appreciation of the contributions made by the employees at all levels, for achieving better results. The Directors also wish to thank customers, banks, etc. for their continued support. Finally your Directors would like to express their sincere & whole hearted gratitude to all of you for your faith in us in your corporation & never failing support.

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

Place : New Delhi
Date : 14.07.2014

(RAJ KUMAR MODI)
Managing Director
DIN- 01274171



MANAGEMENT DISCUSSION & ANALYSIS REPORT

INDUSTRY AND ECONOMIC SCENARIO

At its core, India is facing a difficult economic situation on the growth, asset quality, inflation and fiscal deficit fronts. Growth during 2012-13 (FY2013) was 4.5%. Thereafter, the first three quarters of FY2014 continued seeing low growth: 4.4% in Q1; 4.8% in Q2; and 4.7% in Q3. The Central Statistical Organisation (CSO) has estimated full year growth for FY2014 at 4.9%.

Low growth was not the only economic issue. Inflation remained sticky throughout FY2014 as well. Consumer price inflation (CPI), a key component of determining monetary policy, fluctuated between 10.39% in April 2013 and 8.31% in March 2014. Such volatility made a stable monetary stance difficult. The year began on a somber note. The tapering announcement by the US Federal Reserve coupled with global slowdown resulted in huge pressures on capital flows and depreciation of the rupee. The situation was further exacerbated by high inflation and a very high current account deficit (CAD). The Reserve Bank of India (RBI) responded swiftly by tightening monetary policy. Short term interest rates were raised by increasing the marginal standing facility (MSF) rate by 200 basis points (bps) and curtailing liquidity.

FY2014 was difficult for the banking sector owing to low growth, volatile interest rate environment and high NPAs. Gross non performing loans have risen to 3.6% in FY 2013-14 from 2.5% in FY 2012-13, which may have been acceptable, given the capital requirements of Indian banks.

OUR BUSINESS

Non-banking finance companies (NBFCs) continued to play a critical role in making financial services accessible to a wider set of India's population. Given their unique business models and, for many, their focus on operational excellence, NBFCs should continue to strengthen their position in the financial services space in India.

Retail finance continued its strong performance owing to low consumer leverage and large untapped demand. A clear demographic shift in favour of a younger population aspiring for a better lifestyle should continue to drive strong demand for all retail finance products for the foreseeable future.

The RBI and the Government have taken notable steps in FY 2013-14 to address the economic headwinds.

The Government formed the Project Management Group to facilitate large projects, undertook actions on power tariffs, gas price and continued diesel price increases. The RBI initiated efforts at recognizing and cleaning up Non-Performing Assets ("NPA"). On the policy front, it introduced a shift in focus to Consumer Price Inflation (CPI) from Wholesale Price Inflation (WPI), and a move towards inflation targeting. If implemented correctly and in a time bound manner, these collectively have the ability to create a meaningful impact on the economy.

The Interim budget which was the last budget of the UPA-II Government was "not" biased towards populist measures but focused on growth measures, like reduction in excise duties on capital and consumer goods and maintaining the fiscal deficit target within limits.

The key to a higher growth would be reviving investments (initially by revival of stalled projects), especially in the private sector and higher domestic savings, especially financial savings, by containing inflation and positive real return.

PMC OVERVIEW AND FINANCIAL PERFORMANCE

The company had a strong year aided by robust volume growth, prudent operating cost management and low NPAs. Over the years, our company has steadily broadened its business activities to cover a wide spectrum of services in the financial intermediation space with the basic focus on investment & finance. As a result though the company is not able to achieve higher net profit but has achieved a growth of 19% in its gross revenue. The Company has no NPA account and no bad debts for the period ended on 31st March 2014.

SEGMENT REPORTING

Accounting standard 17 regarding segment wise reporting does not apply to the company since revenues are derived only from one segment i.e. finance activity.



RISK MANAGEMENT AND PORTFOLIO ANALYSIS

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.

The Credit Risk management structure includes separate credit policies and procedures for various businesses. The risk policies define prudential limits, portfolio criteria, exceptional approval metrics, etc. and cover risk assessment for new product offerings. Concentration Risk is managed by analysing counter-party, industry sector, geographical region, single borrower and borrower group.

Management of Liquidity (Asset Liability and Interest Rate) and Market Risk is carried out using quantitative techniques such as sensitivity and stress testing. Company has invested in people, processes and technology to mitigate risks posed by external environment and by its borrowers. It has in place a strong risk management team and an effective credit operations structure. Sustained efforts to strengthen the risk framework and portfolio quality have yielded significant results over the last few years.

Risks associated with frauds are mitigated through a Fraud Risk Management framework. A Fraud Risk Management Committee comprising Senior Management representatives, reviews matters relating to fraud risk, including corrective and remedial actions as regards people and processes.

BUSINESS RESPONSIBILITY REPORT

The Business Responsibility report as per Clause 55 of the Listing agreement with the Stock Exchange(s) is not applicable to your Company for the financial year 2013-14.

INTERNAL CONTROL SYSTEM

Your Company is having a sound internal system, which enables that all assets are protected against loss from unauthorized use and all transactions are recorded and reported correctly. The classification and accounting of assets is carried out as per the standard procedures followed by the Company. This system is further supplemented by internal audit carried out by an independent Chartered Accountant and periodical review by management. The Audit Committee of the Board of Directors, Statutory Auditors are periodically appraised of the internal audit findings and corrective actions taken.

BUSINESS OUTLOOK

PMC Fincorp Limited expects to maintain its performance in FY2015 and hopes to grow at a rate faster than the growth of bank credit. The approach would be to continue with the growth momentum while balancing risk. As before, it will continue to invest in strengthening risk management practices; and in maintaining its investment in technology and human resources to consolidate its position as a leading NBFC in India.

HUMAN RESOURCES AND ENTERPRISE RESOURCE PLANNING

The Company recognizes people as its most valuable asset and it has built an open, transparent and meritocratic culture to nurture this asset. In an increasingly competitive market for human resources, it seriously focuses on attracting and retaining the right talent. It provides equal opportunity to employees to deliver results.

Considering company's current business activities enterprise resource planning Module-SAP is not practically feasible and financially viable for the company. Company's current business activity does not require any technology up gradation or modernization.

CAUTIONARY STATEMENT

Statements in this Management Discussion and Analysis describing the Company's objectives, projections, estimates and expectations may be 'forward looking' within the meaning of applicable laws and regulations. Actual results may differ from those expressed or implied.



ANNEXURE TO DIRECTORS' REPORT
REPORT ON CORPORATE GOVERNANCE

The Directors have great pleasure in presenting the Report on Corporate Governance for the financial year ended 31st March, 2014 as per Clause 49 of the Listing Agreement.

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Your Company's Corporate Governance philosophy rests on the pillars of intergrity, accountability, equity, transparency and environmental responsibility and is committed to the highest standards of Corporate Governance in all its activities and processes. The Company adheres to good corporate practices and is constantly striving to improve them and adopt the best practices.

Corporate Governance refers to the manner, in which a Company is directed, and laws and customs affecting that direction. The Corporate Governance structure specifies the relationship, and the distribution of rights and responsibilities, among primarily three groups of participants, viz, the Board of Directors, Managers and Shareholders. This system spells out the rules and procedures for making decisions on corporate affairs; it also provides the structure through which the Company objectives are set, as well as the means of attaining and monitoring the performance of those objectives.

The Board of Directors fully supports and endorses corporate governance practices as enunciated in Clause 49 of the Listing Agreement as applicable from time to time.

2. BOARD OF DIRECTORS

a) Composition

The Board has a balanced mix of Executive and Non-Executive Independent Directors. The Board consists of 4 members as on 31st March, 2014 and out of which the 2 are Non-Executive independent Directors. The Chairman of the Board is a Executive Director and the minimum requirement of One half of the Board consisting of independent director is duly complied with.

b) Changes during the year

During the year there were no changes in the composition of the Board of Directors.

c) Board Meeting & Procedures

During the financial year under review, Eight (8) meetings of the board were held on 30th May 2013, 29th July 2013, 29th August 2013, 28th October 2013, 25th January, 2014, 27th January, 2014, 19th March, 2014 and 28th March, 2014. The intervening period between any two Board Meeting were well within the maximum time gap of 4 months prescribed under Clause 49 of the Listing Agreement. The annual calendar of meetings is broadly determined at the beginning of each year. The Board Meets at least once a quarter to review the quarterly performance and financial results of the Company. Apart from the statutory requirements, the role of the Board includes periodic review of operations and considering proposals for business re-organization, etc. The board has complete access to any information within the Company. The information periodically placed before the Board includes proceedings/minutes of all committee meetings, significant developments, etc.

Particulars of Directors, their attendance at the Annual General meeting and Board Meetings mentioned hereinabove held during the Financial year 2013-14 and also their other Directorships held in Public Companies (excluding Foreign Companies and Section 8 Companies) and Membership of other Board Committees (excluding Remuneration Committee) as at March 31, 2014 are as under.

Name	Category Membership	Attendance Particulars	
		Board Meeting	Last AGM
Sh. Raj Kumar Modi	Managing Director	8	Yes
Mrs. Rekha Modi	Director (Non-Executive)	8	Yes
Sh. Pramod Gupta	Director (Independent)	8	Yes
Sh. V. B. Aggarwal	Director (Independent)	8	Yes



Particulars of Directors:

Name of the Director alongwith DIN	Mr. Raj Kumar Modi (DIN: 01274171)	Mrs. Rekha Modi (DIN: 01274200)	Mr. Vishnu Bhagwan Aggarwal (DIN: 02852498)	Mr. Pramod Gupta (DIN: 03174350)
Date of Birth	13/11/1967	07/02/1970	30/11/1960	12/09/1961
Relationship with other Directors inter-se	Husband of Mrs. Rekha Modi	Wife of Mr. Raj Kumar Modi	None	None
Date of Appointment	27/01/2003	17/12/2009	30/04/2010	30/04/2010
Expertise in specific functional areas	Rich & vast experience of over 19 years in Financial Market	Experience in Capital Market, Company Law & Finance	Experience in Financial Matters & Corporate Law /Income Tax	Experience in Marketing in Financial Products Financial Matters
Qualification	B. Com	Bsc, LLB	B.Com, FCA	B.Com
No. of Equity Shares held in the Company	162000	864000	NIL	NIL
List of other companies in which Directorships are held	Filmcity Media Ltd.	NIL	NIL	NIL
List of Committees of the Board of Directors (across all companies) in which Chairmanship / Membership	NIL	NIL	NIL	NIL

Note:

1. Directorships and Committee memberships in PMC Fincorp Limited and its Committees are not included in the aforesaid disclosure.
2. Alternate directorship, directorships in Private Limited Companies, Foreign Companies and Section 8 Companies and their Committee memberships are excluded.
3. Membership and Chairmanship of Audit Committees and Investor Grievance Committees of only public Companies have been included in the aforesaid table.



3. Composition of various Board Committees

Name of the Committee	Name of Directors	Category
Audit Committee	Sh. V B Aggarwal Sh. Pramod Gupta Mrs. Rekha Modi	Chairman Member Member
Securities Transfer and Investors Grievance Committee	Sh. Raj Kumar Modi Mrs. Rekha Modi	Chairman Member
Nomination & Remuneration Committee	Sh. V B Aggarwal Sh. Pramod Gupta Mrs. Rekha Modi	Chairman Member Member

4. Board and Committee functioning

a. Board Meetings

1. The Board meetings are generally held in Delhi with the majority of Directors present at each meeting
2. The detailed Agenda with notes is circulated well in advance and contains all the matters enshrined in clause 49 of the Listing Agreement
3. Sufficient time is allocated for discussing the items of business, more specifically on the operations front with detailed presentations.
4. The Board takes on record the Compliance Confirmation from the head corporate affairs & Company Secretary at each Meeting which contains the Compliance status of all the Applicable legislations to the Company.

5. Audit Committee

A) Composition and Meeting of the Audit Committee:

The Audit Committee acts as a link between the Management, the Statutory Auditors and the Board of Directors. The current composition of the Audit Committee is as under:

During the financial year 2013-14, meetings of the Audit Committee were held 5 (Five) times i.e. on May 30, 2013, July 29, 2013, August 29, 2013, October 28, 2013 and January 25, 2014.

Name of Directors	Meetings held	Meeting Attended
Sh. V. B. Aggarwal	5	5
Sh. Pramod Gupta	5	5
Mrs. Rekha Modi	5	5

B) Powers of Audit Committee

The audit committee of the company is vested with the following powers:

1. To investigate any activity within its terms of reference.
2. To seek information from any employee.
3. To obtain outside legal or other professional advice.
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.

C) Role of Audit committee

The Terms of reference/role stipulated by the Board for the Audit Committee, as contained under Clause 49 of the Listing Agreement are as follows:

1. Oversight of the company's financial reporting process and disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditors and the fixation of audit fee.



3. Approval of payment to statutory auditors for any other services rendered by them.
4. Reviewing with management the annual financial statements before submission to the Board for approval, with particular reference to:
 - a. Matters require to be included in the Director's Responsibility Statement in the Board's Report in terms of clause (2AA) of Section 217 of the Companies Act, 1956.
 - b. Changes, if any, in accounting policies, practices and the reasons for the same.
 - c. Significant adjustments made in the financial statement arising out of audit findings.
 - d. Compliance with the listing and other legal requirements relating to the financial statements.
 - e. Disclosure of any related part transactions.
 - f. Qualifications in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
6. Reviewing with the management, performance of statutory and internal auditors and adequacy of internal control systems.
7. Discussions with external auditors before the audit commences, nature and scope of audit as well as have post audit discussions to ascertain any area of concern.
8. To look into reasons for substantial defaults in the payment to the shareholders (in case of non payment of declared dividends).

D) Review of information by Audit Committee

The audit committee reviews the following information:

1. Management Discussion and analysis of financial condition and results of operations.
2. Statement of significant related party transactions (as defined by the audit committee), submitted by the management.
3. Management letters/letters of internal control weaknesses issued by the Statutory Auditors.

6. Nomination & Remuneration Committee:

The Company had constituted its Nomination & Remuneration Committee on 30th May, 2014 in line with Section 178 of the Companies Act, 2013 to perform the following functions with regard to remuneration of managerial personnel.

1. to identify persons having the desired qualifications for becoming directors or for appointment into the senior management level & recommend to the Board their appointment and/or removal;
2. to carry out evaluation of every director's performance formulating the criteria for determining the qualifications, positive attributes and independence of a director and recommending to the Board a policy, relation to the remuneration for the directors, key managerial personnel and other employees: The policy should be disclosed in the Board's report.
3. Formulation of criteria for evaluation of Independent Directors and the Board;
4. Devising a policy on Board diversity;

Composition of Committee

Name of Directors	Category	Status
Sh. V. B. Aggarwal	Non Executive- Independent	Chairman
Sh. Pramod Gupta	Non Executive- Independent	Member
Mrs. Rekha Modi	Executive	Member

During the Financial Year 2013-14 the Remuneration Committee met once on 30th May, 2013.



No remuneration is paid to Non-executive Directors except sitting fees for attending the meeting of Board of Directors and committee thereof. The fees paid for the year ended 31st March 2014 to the Directors are as follows:

Sl. No.	Name of the Directors	Salary	Sitting Fees	Amount in Rs.
1.	Sh. Raj Kumar Modi	1500000.00	N.A.	1500000.00
2.	Sh. V. B. Agarwal	N.A.	49000.00	49000.00
3.	Sh. Pramod Gupta	N.A.	49000.00	49000.00
4.	Mrs. Rekha Modi	N.A.	35000.00	35000.00

7. Compliance Report

The Board periodically reviews compliance report of all laws applicable to the company, prepared by the company as well as steps taken by the company to rectify instances of non-compliances, if any.

7.1 Code of Conduct

Pursuant to the provisions of Clause 49 of the Listing Agreement, the Board has laid down a Code of Conduct for all Board Members and Senior Management Team.

All Board Members and Senior Management Team have affirmed compliance of code of conduct as on 31.03.2014 and a declaration to that effect signed by Director is attached and forms part of this report.

7.2 Code of conduct for prevention of insider trading

Under SEBI (Prohibition of insider Training) Regulations, 1992, the company has adopted Code of Conduct for prohibition and prevention of insider Trading. The Code is applicable on all the directors' officers and designated employees of the company. The said persons in addition to giving regular disclosures to the company are also prohibited under the code to deal in shares of the company while in possession of unpublished price sensitive information. All board members, officers and designated employees have confirmed compliance to the code of conduct for the year ended 31st March, 2014.

8. Risk Management

Your Company is aware of the risks associated with its business in the present day business scenario and volatile economic environment.

It has started analysing various risks involved and has initiated corrective action for mitigating/ managing the same. The company has also laid down procedures to inform the Board members about the risk assessment and procedures for minimising the same.

9. Secretarial Audit

A qualified practicing Company Secretary carry out quarterly secretarial audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Ltd. (CDSL) certify the total issued and listed capital. The secretarial audit report confirms that the total issued and paid up capital is in agreement with the total number of shares in physical form and the total number of shares held in dematerialised form with NSDL/CDSL.

Pursuant to Clause 47 (c) of the listing agreement with the Stock Exchanges, certificates, on half-yearly basis, have been issued a Company Secretary in practice for due compliance of share transfer formalities by the Company.



10. Shareholders/Investors Grievance Committee

The working of the Shareholders/Investors Grievance Committee of your Company and its composition and other details are given below:

During the financial year 2013-14, meetings of the Shareholders Grievance Committee were held 2 (Two) times i.e. on September 18, 2013 and March 19, 2014.

Name of Directors	Meetings held	Meeting Attended
Sh. Raj Kumar Modi	2	2
Mrs. Rekha Modi	2	2

No complaint were pending at the end of the year.

11. General Body Meetings

Details of location, time and date of last three AGMs/EGM are given below:-

Financial year	Date	Time	Place
2010-2011 (AGM)	25.06.2011	10.30 A.M.	10-B, VIP Colony, Civil Lines, Rampur (U.P.)
2010-2011 (EGM)	24.08.2011	11.00 A.M.	10-B, VIP Colony, Civil Lines, Rampur (U.P.)
2011-2012 (AGM)	24.09.2012	10.00 A.M.	10-B, VIP Colony, Civil Lines, Rampur (U.P.)
2012-2013 (EGM)	14.01.2013	10.00 A.M.	B-10, VIP Colony, Civil Lines, Rampur (U.P.)
2013-2014 (EGM)	27.02.2014	10.30 A.M.	B-10, VIP Colony, Civil Lines, Rampur (U.P.)

Special Resolutions passed at the last 3 (Three) AGMs/EGM :

Financial year	Items
2010-2011 (EGM)	Four
2011-2012 (AGM)	One
2012-2013 (EGM)	Two
2013-2014 (EGM)	Three

Special Resolutions Passed at the General Meetings

- Increase in Authorised Share Capital, alteration of Memorandum & Articles of Association and issue of 4458900 Bonus Equity Shares in the EGM held on 24.08.2011.
- Payment of Remuneration to Mr. Raj Kumar Modi Managing Director of the Company w.e.f. 01.04.2012 in the AGM held on 24.09.2012.
- Change of name from Priti Mercantile Company Limited to PMC Fincorp Limited & sub-divided every equity shares of Rs. 10/- each in two equity share of the Rs. 5/- in the EGM held on 14.01.2013.
- Increase in Authorised Share Capital, alteration of Memorandum & Articles of Association and issue of 2,14,02,720 Bonus Equity Shares and issue of 5,00,000 Preference Shares to promoters in the EGM held on 27.02.2014.

Note: No Postal ballots were used/invited for voting at these meetings in respect of special resolutions passed as there were no requirements for compliance at that time.



12. Means of Communication

- (a) Quarterly financial results - The quarterly and annual financial results of the Company are published in 'Rashtriya Sahara' (Hindi newspaper), 'Financial Express (English newspaper).
- (b) Company's Website - Important shareholders' information such as Annual Report of the Company and the shareholding pattern are displayed on the website of the Company, i.e., www.pmcfinance.in and the websites of BSE, www.bseindia.com
- (c) Annual Report - The Annual Report of the Company, giving a detailed insight on the working of the Company, practices followed, message for Key Managerial personnel etc., is sent to all shareholders at their registered addresses. Keeping in view the "Green Initiative" undertaken by the Ministry of Corporate Affairs, the Annual Report is sent via mail to the shareholders whose e-mail addresses are registered with the Company.
- (d) Management Discussion and Analysis - Management Discussion and Analysis covering the operations of the Company, forms part of the Annual Report.
- (e) Designated e-mail-id - The Company has designated the e-mail id viz. investors@pmcfinance.in, in order to ensure prompt redressal of investor's requests/complaints.

13. Outstanding GDRs/ADRs/Warrants or any convertible instruments.

The Company has not issued GDRs/ADRs etc. There was no outstanding warrants as on 31-03-2014.

14. Management discussion and analysis

A statement of Management Discussion and Analysis is appearing elsewhere in this Annual Report in terms of the requirement of the Code of Corporate Governance.

15. Disclosures

- (i) **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.**

Members may refer to the disclosures of transactions with the related parties as given under Note no. 30 of the notes to accounts.

- (ii) **Details of non-compliance by the Company, penalties and strictures imposed on the Company by Stock Exchanges or SEBI, or any other statutory authority, on any matter related to the capital markets, during the last three years.**

The Company has fully complied with the requirements of the regulatory authorities on capital markets. There have been no instances of non-compliance by the Company with any matters whatsoever relating to the requirements as stipulated by the regulatory authorities on capital markets or are for the time being in force. No penalty or strictures have been imposed on the Company by the Stock Exchanges, SEBI or any other statutory authority.



16. GENERAL SHAREHOLDER INFORMATION

16.1 Annual General Meeting	
Date and Time	September 27, 2014 at 10.00 A.M.
Venue	Modipur Hotel, Bareilly Road, Rampur, Uttar Pradesh-244901
16.2 Financial Calander (2014-15) (Tentative)	
Annual General Meeting for the next year ending 31st March, 2015	On or before September 30, 2015
16.3 Book Closure date	23.09.14 to 27.09.14
16.4 Dividend Payment date	not applicable

16.5 Listing Details

The Equity Shares of the Company are listed on the following Stock Exchanges.

U. P. Stock Exchange Ltd., Kanpur 14/113, Civil Lines, Kanpur - 208001	BSE Limited Phiroze Jeejeephoy Towers 25th Floor, Dalal Street Mumbai - 400001
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The Company's payment of Listing Fees is up-to-date.

16.6 Stock Code

U. P. Stock Exchange Ltd.	P0006
BSE Limited	534060
ISIN Number (NSDL/CDSL)	Equity Shares INE 793G01027.
Face Value of each Equity Share	₹5/-

16.7 Registrar and Share Transfer Agent

INDUS PORTFOLIO PVT. LIMITED
G-65, Bali Nagar, New Delhi-110015
Phones : +91-11-47671214
Email : bharatb@indusinvest.com
Web site : indusinvest.com

16.8 Share Transfer Systems:

Share transfers are presently registered within a maximum period of 15 (fifteen) days from the date of receipt provided the documents are complete in all respects. The Board of Directors has authorised the Registrar to approve all share transfers. The Registrar on receipt of Share transfer request, after confirming all details transfer the shares as per law and directly dispatches the same to the transferee.

16.9 Mandatory to submit PAN Card Copy (For Shares held in Physical form):

The Securities and Exchange Board of India (SEBI) has vide its circulars dated May 20, 2009 and January 07, 2010, made it mandatory to submit a copy of PAN card along with other documents for effecting transfer, transmission, transposition and name deletion of deceased holder from share certificate (in case of joint holding) in respect of shares held in physical form. Shareholders are therefore requested to ensure submission of a copy of their PAN Card, as in the absence of the said document, the above said requests in respect of shares held in physical form will stand rejected by the Company/ RTA.



16.10 Market price Data

Month	Open Price	High Price	Low Price	Close Price	No. of Shares	No. of Trades
Apr-2013	120.00	195.40	120.00	174.25	215212	2590
May-2013	167.00	253.70	165.55	247.15	334206	2555
Jun-2013	250.00	251.50	222.00	226.55	231892	3459
Jul-2013	225.50	225.50	155.50	159.95	394478	7601
Aug-2013	170.00	190.30	147.10	160.25	556978	6056
Sep-2013	160.30	320.65	160.30	285.10	485928	4778
Oct-2013	288.80	326.10	268.00	317.45	347042	5091
Nov-2013	315.50	380.95	315.40	378.70	203424	4314
Dec-2013	380.00	426.00	367.00	424.75	342406	4842
Jan-2014	415.00	575.00	402.50	572.90	649570	7183
Feb-2014	570.00	769.00	549.65	722.15	415735	5583
Mar-2014	726.10	848.90	425.00	598.60	964973	11423

— There has been no trading in the U. P. Stock Exchange Ltd., Kanpur, during the year 2013-14.

16.11 Categories of Shareholders as on 31st March, 2014

Shareholding Pattern

Category	No. of Shares	% of Paid up capital
A Promoters' Holding		
1. Promoters		
a) Indian Promoters		
- Individual	14,62,860	3.03
- Corporate Bodies	61,13,700	12.70
b) Foreign Promoters	—	—
2. Persons acting in concert	—	—
Sub Total (A)	75,76,560	15.73
B Non-Promoters Holding		
3. Institutional Investors		
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	—	—
4. Others		
a. Private Corporate Bodies	2,58,10,429	52.22
b. Indian Public	1,41,53,578	31.42
c. Non Resident Indians/Overseas	45	0.00
d. Trust	66	0.00
e. Clearing Member	1,61,128	0.07
f. Clearing House	4,54,314	0.56
Sub Total (B)	4,05,79,560	84.27
G.TOTAL (A+B)	4,81,56,120	100.00



16.12 Dematerialisation of shares and liquidity

The ISIN of the Company's shares is INE793G01027. After dematerialisation of shares the shareholders must contact their DPs for any information/instructions in respect of their shareholdings.

As on 31.03.2014, 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	470	51.20	37615429	78.11
2.	CDSL	276	30.07	10022765	20.81
3.	PHYSICAL	172	18.73	517926	1.08

16.13 Distribution of shareholding as on 31st March, 2014

Distribution	No. of Share holders	% of Shareholders	No of Shares	% of Shareholding
1 - 500	211	22.98	21244	0.04
501 - 1000	123	13.40	76807	0.16
1001 - 5000	231	25.16	583328	1.21
5001 - 10000	117	12.75	862161	1.79
10001 - 20000	93	10.13	1423164	2.96
20001 - 30000	32	3.49	798766	1.66
30001 - 40000	17	1.85	604652	1.26
40001 - 50000	10	1.09	456627	0.95
50001 - 100000	34	3.70	2382347	4.95
above 100000	50	5.45	40947024	85.03
	918	100.00	48156120	100.00

16.14 Address for Correspondence:

Share Transfer and Demat

INDUS PORTFOLIO PVT. LIMITED

G-65, Bali Nagar,
New Delhi-110015
Phones : +91-11-47671214
Web site : 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
PRITI MERCANTILE COMPANY LIMITED
15/76, IIInd Floor, Old Rajinder Nagar,
New Delhi-110060
Phone : +91-11-42436846,47, 49
E-mail : pritimercantile@gmail.com
Web site : pmcfinance.in



17. Non-mandatory Requirements:

The non mandatory requirements have been adopted to the extent and in the manner as stated under the appropriate headings detailed below:

1. Remuneration Committee:

Your Company has a Remuneration Committee to recommend appointment/re-appointment and to recommend/review remuneration of the Managing Director/Whole Time Director/Executive Director.

2. Shareholders Right:

The quarterly, half yearly and annual results of your Company with necessary report there on are published in newspapers.

3. Audit Qualifications:

There are no qualifications in the Auditor's Report on the financial statements to the shareholders of the Company.

4. Training of Board Members:

There is no formal policy at present for training of the Board member of the Company as the members of the Board are eminent and experienced professional persons.

5. Whistle Blower Policy and affirmation that no personnel have been denied access to the Audit Committee.

No personnel of the Company had approached the Audit Committee during the year under reporting. The Company has never denied access to any personnel to approach the Audit Committee.

DECLARATION

To,

The Members of
PMC Fincorp Limited

Sub :- Declaration under Clause 49 of the listing Agreement.

I hereby declare that all the Directors and the designated personnel in the senior Mangement of the Company have affirmed compliance with their respective codes for the financial year ended 31st March, 2014.

For Priti Mercantile Company Ltd.

Place : New Delhi
Date : 14.07.2014

Raj Kumar Modi
Managing Director



CERTIFICATION BY MANAGING DIRECTOR

To,
The Members of
PMC Fincorp Limited

Re: Financial Statements for the year ended 31st March, 2014 - Certification by Managing Director

I, Raj Kumar Modi, Managing Director of the Company, to the best of my knowledge and belief, certify that:

1. I have reviewed the Financial Statements and Cash Flow Statement for the year 31st March, 2014 and that to the best of my 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 my knowledge and belief, no transaction entered into by the during the year which are fraudulent illegal or violative of the Company's code of conduct.
3. I accept responsibility for establishing and maintain internal controls for financial reporting and that I have evaluated the effectiveness of the internal control system of the company pertaining to financial reporting and I have disclosed to the auditors and the audit committee deficiencies in the design or operation of such internal control, if any of which I am aware and the steps I have taken or propose to take rectify these deficiencies.
4. I have indicate to the Auditors and the Audit Committee :
 - (a) Significant changes in the internal control over financial reporting during the year under review.
 - (b) Significant changes in accounting policies during the year.
5. I further declare that all board members and senior managerial personnel have affirmed compliance with the code of conduct under Clause 49 of the Listing Agreement, for the current year.

Place : New Delhi
Date : 14.07.2014

Raj Kumar Modi
Managing Director



AUDITORS' CERTIFICATE ON COMPLIANCE WITH CONDITIONS OF CORPORATE GOVERNANCE AS STIPULATED IN CLAUSE 49 OF THE LISTING AGREEMENT

To,

The Members

PMC Fincorp Limited

1. We have examined the compliance of the conditions of Corporate Governance by PMC Fincorp Limited For the year ended 31st, March, 2014 as stipulated in clause 49 of the listing a greement of the said company with Stock Exchanges in India.
2. The Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was carried out in accordance with guidance not on certification of Corporate Governance (as stipulated in Clause 49 of the Listing Agreement) issued by the Institute of the Chartered Accountants of India and was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of the opinion on the financial statement of the company.
3. In our opinion and to the best of our information and explanation given to us and the representation made by the Directors and the management we certify that the company has complied in all material respects with the conditions of corporate governance as stipulated in the above mentioned Listing Agreement.
4. We Further report that such compliance is neither an assurance as to future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For M. M. GOYAL & CO.
Chartered Accountants
Firm Registration No.007198N

Place : New Delhi
Dated : 14.07.2014

(MANMOHAN GOYAL)
Partner
M.No. 86085



INDEPENDENT AUDITOR'S REPORT

To the Members of
PMC Fincorp Limited

Report on Financial Statements

We have audited the accompanying financial statements of PMC Fincorp Limited (formerly Priti Mercantile Company Limited), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") read with general circular 15/2013 dated 13 September 2013 of the ministry of corporate affairs in respect of section 133 of the companies Act 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- b) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.



2. As required by section 227(3) of the Act, we report that:
- a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books
 - c) the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956 read with general circular 15/2013 dated 13 September 2013 of the ministry of corporate affairs in respect of section 133 of the companies Act 2013;
 - e) on the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For M. M. GOYAL & CO.
Chartered Accountants
Firm Registration No.007198N

Place: New Delhi
Dated: 30.05.2014

(MANMOHAN GOYAL)
Partner
M.No. 86085



The Annexure referred to in paragraph 1 of the Our Report of even date to the members of PMC Fincorp Limited (formerly Priti Mercantile Company Limited) on the accounts of the company for the year ended 31st March, 2014.

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

1. (a) The company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
(b) As explained to us, fixed assets have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification.
(c) In our opinion and according to the information and explanations given to us, no fixed asset has been disposed during the year and therefore does not affect the going concern assumption.
2. (a) As explained to us, inventories have been physically verified during the year by the management at reasonable intervals.
(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) In our opinion and on the basis of our examination of the records, the Company is generally maintaining proper records of its inventories. No material discrepancy was noticed on physical verification of stocks by the management as compared to book records.
3. (a) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Consequently, the provisions of clauses iii (b), iii (c) and iii (d) of the order are not applicable to the Company.
(e) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has taken loans from 2 companies listed in the register maintained under Section 301 of the Companies Act, 1956. The maximum amount outstanding during the year was Rs. 2160.00 Lakhs and the year-end balance due to such parties was 2065.00 Lakhs.
(f) The same loan is interest free. Other terms and conditions on which the loan has been taken are prima facie, not prejudicial to the interest of the company.
(g) Payment of principal amount has been regular.
4. In our opinion and according to the information and explanations given to us, there is generally an adequate internal control procedure commensurate with the size of the company and the nature of its business, for the purchase of inventories & fixed assets. During the course of our audit, no major instance of continuing failure to correct any weaknesses in the internal controls has been noticed.
5. a) There were no transaction that need to be entered into the register maintained u/s 301 of the Act.
b) As per information & explanations given to us and in our opinion, the transaction entered into by the company with parties covered u/s 301 of the Act does not exceeds 5 lakhs rupees in a financial year therefore requirement of reasonableness of transactions does not arises.
6. The Company has not accepted any deposits from the public covered under section 58A and 58AA of the Companies Act, 1956.
7. As per information & explanations given by the management, the Company has an internal audit system commensurate with its size and the nature of its business.
8. We have informed that the maintenance of cost records U/s 209(1)(d) of the companies act 1956 is not required by the company.



9. (a) According to the records of the company, undisputed statutory dues including P.F., Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, cess to the extent applicable and any other statutory dues have generally been regularly deposited with the appropriate authorities.
(b) According to the information and explanations given to us, there is no amounts payable in respect of income tax, wealth tax, service tax, sales tax, customs duty and excise duty which have not been deposited on account of any disputes.
10. The Company does not have any accumulated loss and has not incurred cash loss during the financial year covered by our audit and in the immediately preceding financial year.
11. Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that, the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
12. According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The Company is not a chit fund or a nidhi /mutual benefit fund/society. Therefore, the provision of this clause of the Companies (Auditor's Report) Order, 2003 (as amended) is not applicable to the Company.
14. According to information and explanations given to us, the Company is trading in Shares, Mutual funds & other Investments. Proper records & timely entries have been maintained in this regard & further investments specified are held in their own name.
15. According to the information and explanations given to us, the Company has not given any guarantees for loan taken by others from a bank or financial institution.
16. Based on our audit procedures and on the information given by the management, we report that the company has not raised any term loans during the year.
17. Based on the information and explanations given to us and on an overall examination of the Balance Sheet of the Company as at 31st March, 2014, we report that no funds raised on short-term basis have been used for long-term investment by the Company.
18. Based on the audit procedures performed and the information and explanations given to us by the management, we report that the Company has not made any preferential allotment of shares during the year.
19. The Company has no outstanding debentures during the period under audit.
20. The Company has not raised any money by public issue during the year.
21. Based on the audit procedures performed and the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the year, nor have we been informed of such case by the management.

For M. M. GOYAL & CO.

Chartered Accountants
Firm Registration No.007198N

Place: New Delhi
Dated: 30.05.2014

(MANMOHAN GOYAL)
Partner
M.No. 86085



BALANCE SHEET AS AT 31ST MARCH, 2014

(Amount in ₹)

Particulars	Note No.	At the End of 31.03.2014	At the End of 31.03.2013
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	2	240,780,600	133,767,000
(b) Reserves and Surplus	3	37,233,768	131,433,443
(2) Share Application money pending allotment		—	—
(3) Non-Current Liabilities			
(a) Deferred Tax Liabilities (Net)	4	25,748	17,079
(4) Current Liabilities			
(a) Short-Term Borrowings	5	682,981,057	678,020,691
(b) Trade Payables		—	—
(c) Other Current Liabilities	6	5,452,100	17,234,393
(d) Short-Term Provisions	7	6,041,337	5,909,065
Total Equity & Liabilities		972,514,609	966,381,671
II. ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets			
(i) Tangible Assets	8	1,390,905	1,467,926
(b) Non Current Investments	9	24,055,875	21,230,000
(2) Current Assets			
(a) Inventories	10	7,700,853	4,098,879
(b) Trade receivables	11	14,513,652	—
(c) Cash and cash equivalents	12	2,377,689	543,215
(d) Short Term Loans and advances	13	922,475,636	939,041,651
Total Assets		972,514,609	966,381,671
Significant Accounting Policies	1		

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

As per our report of even date attached

FOR M. M. GOYAL & CO.

Chartered Accountants

Firm Registration No.007198N

FOR PMC FINCORP LIMITED

(MANMOHAN GOYAL)

Partner

Membership No. : 86085

(RAJ KUMAR MODI)

Managing Director

(REKHA MODI)

Director

Place : New Delhi

Date : 30.05.2014

(RAMAN KUMAR)

Company Secretary



STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2014

(Amount in ₹)

Sr. No	Particulars	Note No.	At the End of 31.03.2014	At the End of 31.03.2013
I	Revenue from Operations	14	100,508,331	84,549,482
	Total Revenue		100,508,331	84,549,482
II	Expenses:			
	Purchase of Stocks & Shares		43,149,911	16,723,673
	Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	15	(3,601,973)	6,210,280
	Employee Benefits Expenses	16	6,626,245	5,513,000
	Finance Cost	17	29,385,151	21,861,356
	Depreciation and Amortization Expense	18	236,385	237,794
	Other Administrative Expenses	19	5,845,647	13,724,318
	Total Expenses		81,641,366	64,270,421
III	Profit before exceptional and extraordinary items and tax	(I - II)	18,866,965	20,279,062
IV	Exceptional Items		—	—
V	Profit before extraordinary items and tax	(III - IV)	18,866,965	20,279,062
VI	Extraordinary Items		—	—
VII	Profit before tax	(V - VI)	18,866,965	20,279,062
VIII	Tax expense:			
	(1) Current tax		6,068,121	5,909,065
	(2) Deferred tax		8,669	3,892
IX	Profit(Loss) from the period	(VII - VIII)	12,790,175	14,366,105
X	Earning per equity share:			
	(1) Basic		0.27	0.53
	(2) Diluted		0.29	0.53
XI	No of weighted average shares used in computing EPS			
	(1) Basic		48,156,120	26,753,400
	(2) Diluted		48,156,120	26,753,400
	Face Value Per Share		5	5
	Significant Accounting Policies	1-29		

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

As per our report of even date attached

FOR M. M. GOYAL & CO.

Chartered Accountants

Firm Registration No.007198N

FOR PMC FINCORP LIMITED**(MANMOHAN GOYAL)**

Partner

Membership No. : 86085

(RAJ KUMAR MODI)

Managing Director

(REKHA MODI)

Director

Place : New Delhi

Date : 30.05.2014

(RAMAN KUMAR)

Company Secretary



CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2014

	As on 31-03-2014 (₹)	As on 31-03-2013 (₹)
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit before Tax	18,866,965	20,279,062
Adjustment for:		
Depreciation/amortisation	236,385	237,794
Preliminary expenses W/Off	23,750	23,750
Operating Profit Before working capital changes	<u>19,127,100</u>	<u>20,540,606</u>
Adjustment for:		
Inventories	(3,601,973)	6,210,280
Trade receivables	(14,513,652)	1,656,846
Short term Loans & advances	16,566,015	(305,835,033)
Short -Term Borrowings	4,960,366	205,065,789
Trade payables	—	—
Other current Liabilities	(11,623,237)	7,782,877
Cash generated from operations	<u>10,914,618</u>	<u>(64,578,635)</u>
Income taxes paid	(6,094,905)	(5,909,065)
proposed dividend	—	(6,688,350)
Dividend tax	—	(1,100,578)
Net cash from operating Activities	<u>4,819,713</u>	<u>(78,276,628)</u>
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(159,364)	(151,194)
Sale of Investments	20,230,000	73,950,000
Purchase of investments	(23,055,875)	(7,730,000)
Net cash from/(used in) investing activities	<u>(2,985,239)</u>	<u>66,068,806</u>
C. CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of Long Term Borrowings	—	—
Secured Loans	—	—
Unsecured Loans	—	—
Net cash from/ (used in) Financing Activities	<u>—</u>	<u>—</u>
Net increase / (decrease) in cash and cash equivalents	1,834,474	(12,207,822)
Cash and Cash Equivalents as at March 31, (Opening balance)	543,215	12,751,036
Cash and Cash Equivalents as at March 31, (Closing balance)	<u>2,377,689</u>	<u>543,214</u>

FOR AND ON BEHALF OF THE BOARD

(RAJ KUMAR MODI)
MANAGING DIRECTOR

(REKHA MODI)
DIRECTOR

Place : New Delhi
Date : 30.05.2014

(RAMAN KUMAR)
COMPANY SECRETARY



AUDITORS' CERTIFICATE

We have verified the above Cash Flow Statement of PMC Fincorp Limited for the year ended March 31, 2014 derived from audited financial statements, prepared by the Company in accordance with Clause 32 of the Listing Agreement with the Stock Exchange and found the same in accordance therewith.

For M. M. GOYAL & CO.
CHARTERED ACCOUNTANTS
Firm Registration No.007198N

PLACE : NEW DELHI
DATED : 30.05.2014

(MAN MOHAN GOYAL)

Partner
M.No. 86085



NOTES TO THE FINANCIAL STATEMENTS

1. BASIS OF PREPARATION OF FINANCIAL STATEMENTS:

- (a) Financial Statements are prepared under the historical cost convention on accrual basis in accordance with the generally accepted accounting principles and the Accounting Standards referred to in Section 211(3C) of The Companies Act, 1956. Accounting policies not specifically referred to otherwise are consistent and in consonance with prudent accounting principles.
- (b) **Use of Estimates:** The preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosures of contingent liabilities on the date financial statements and reported amounts of revenue and expenses for that year. Actual results could differ from these estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.
- (c) All assets and liabilities have been classified as Current or Non-Current as per the operating cycle criteria set out Revised Schedule VI to the Companies Act, 1956.

2. GOING CONCERN DISCLOSURE

The accounts under consideration have been drawn up on going concern basis.

3. REVENUE RECOGNITION:

All income and expenditure are accounted for on accrual basis. Shares/ Securities are capitalized at cost inclusive of brokerage, Service Tax, Education Cess, Depository Charges, Securities Transaction Tax and other miscellaneous transaction charges, which due to practical difficulty cannot be identified/allocated to a particular transaction, are charged directly to Profit & Loss Account.

4. FIXED ASSETS:

Fixed assets are stated at cost less accumulated depreciation and amortization.

5. DEPRECIATION:

Depreciation is provided on fixed assets on Diminishing Balance Method at the rates and in the manner specified in schedule XIV to The Companies Act, 1956.

6. INVESTMENTS:

Investment are classified into Non-Current Investment. Long Term Investments are stated at cost.

7. 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.

8. EMPLOYEE BENEFITS:

Employee Benefits are recognised / accounted for on the basis of revised AS-15 detailed as under:

- (a) Short-term employee benefits are recognised at the undiscounted amount in the Profit and Loss Account of the year in which the related service is rendered.
- (b) Termination benefits are recognised as an expense as and when incurred.
- (c) Employee benefits under defined benefit plans comprise of gratuity, which is accounted for as at the year-end based on actuarial valuation.
- (d) The actuarial gains and losses arising during the year are recognised in the Profit and Loss Account of the year without resorting to amortization.



9. BROKERAGE/COMMISSION INCOME:

Brokerage/Commission Income is accounted for as and when the bills are raised. In respect of contracts pending for execution, the income or brokerage is recognised on the date of performance of the contract.

10. INCOME FROM INVESTMENTS:

Income from investments, where appropriate are taken into full on declaration or receipt and tax deducted at source thereon is treated as advance tax. other privileges to the company.

11. MISCELLANEOUS EXPENDITURE:

All items included in Miscellaneous Expenditure have been amortized in equal installments over a period of ten years.

12. TAXATION:

Tax expenses for the year comprises of Current Tax and Deferred Tax charge or credit. The Deferred Tax Asset and Deferred Tax Liability is calculated by applying tax rates and tax laws that have been enacted or substantially enacted by the Balance Sheet date. Deferred Tax assets arising mainly on account of brought forward losses and unabsorbed depreciation under tax law are recognised only if there is virtual certainty of its realization. Other Deferred Tax assets are recognised only to the extent there is a reasonable certainty of realization in future. Deferred Tax assets/ liabilities are reviewed at each Balance Sheet Date based on development during the year, further future expectations and available case laws to re-assess realization/ liabilities.

13. IMPAIRMENT OF ASSETS:

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged to the Profit and Loss Account in the year in which an asset is identified as impaired. The impairment loss is recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

14. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS:

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognised but are disclosed in the Notes. Contingent Assets are neither recognised nor disclosed in the financial statements.

15. In the opinion of the Board, the Current assets, Loans & Advances are approximately of the value stated if realized in the ordinary course of the business. The provision of all known liabilities is adequate.

(A) In the opinion of Management, the Company is mainly engaged in the activities of Sale/ Purchase of Shares & Securities & other related ancillary services in current year and therefore there are no separate reportable segments as per Accounting Standard (AS-17) "Segment Reporting".

(B) The Company operates in India and hence there are no reportable geographical segment.

16. There are no amounts payable to any micro enterprises & small enterprises as identified by management from the information available with the company & relied upon by auditor.



Note : 2 Share Capital

Sr. No	Particulars	At the End of 31.03.2014 No.	At the End of 31.03.2014 ₹	At the End of 31.03.2013 No.	At the End of 31.03.2013 ₹
a	AUTHORISED CAPITAL Equity Shares of ₹ 5/- each	50,000,000	250,000,000	30,000,000	150,000,000
b	ISSUED, SUBSCRIBED & PAID UP CAPITAL Equity Shares of ₹ 5/- each	48,156,120	240,780,600	26,753,400	133,767,000
Total in ₹		48,156,120	240,780,600	26,753,400	133,767,000

- Equity Shares: The Company has one class of equity shares having a par value of Rs.5/- each. Each holder of equity shares is entitled to one vote per share.
- The company declares and pays dividend in Indian Rupees. The proposed dividend by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General meeting, except in case of Interim Dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts, in proportion to their shareholding.
- During the year the company has allotted bonus shares (No of Shares 21,402,720) in the ratio of 8 shares for every 10 shares held at the rate of Rs 5/- per share. The bonus shares are issued by adjusting the share premium reserves.
- Company has issued 4458900 equity shares of Rs. 10/- (8917800 shares of Rs. 5/- each after splitting up of shares) each as bonus shares during the period of five years immediately preceding the reporting date. There are no shares issued for consideration other than cash and also company has not bought back any share during the period of five years immediately preceding the reporting date.
- The Company has sub divided every equity shares of Rs. 10/- each in to two equity share of Rs. 5/- each during the FY 2012-13.

2 A Reconciliation of number of Shares

Sr. No	Particulars	At the End of 31.03.2014 No.	At the End of 31.03.2014 ₹	At the End of 31.03.2013 No.	At the End of 31.03.2013 ₹
a	Shares Outstanding at the beginning of the Year	26,753,400	133,767,000	13,376,700	133,767,000
b	Share Issued during the year (Bonus Issue) 8 Shares for every 10 shares held	—	—	—	—
		21,402,720	107,013,600	—	—
c	shares bought back during the year	—	—	—	—
d	Any other movement (Subdivision of Equity Shares of Rs. 10/- to equity Shares of Rs. 5/-)	—	—	13,376,700	—
Shares Outstanding at the end of the year		48,156,120	240,780,600	26,753,400	133,767,000

**2 B Details of shares held by shareholders holding more than 5 % of aggregate shares in the company**

Sr. No	Particulars	At the End of	At the End of	At the End of	At the End of
		31.03.2014	31.03.2014	31.03.2013	31.03.2013
		No.	%	No.	%
a	RRP Management Services P. Ltd.	3113100	6.465	1,729,500	6.465
b	Prabhat Management Services P. Ltd.	3000600	6.231	1,667,000	6.231
c	SMC Global Sec Ltd.	2978969	6.19	2,391,027	8.94
d	Ecomony Suppliers P. Ltd.	5068056	10.52	2,328,114	8.70
e	Seabird Vincon P. Ltd.	3758174	7.80	2,104,663	7.87
f	Embassy Sales P. Ltd.	2821516	5.86	1,760,718	6.58
g	Seabird Retails P. Ltd.	2534629	5.26	1,695,157	6.34
h	Seabird Distributers P. Ltd.	2642605	5.49	1,437,554	5.37

- a. As per the records of the Company, including its register of shareholders/members.
- b. There are no shares reserved for issue under options and contracts/commitments for sale of shares/disinvestment.
- c. There are no unpaid calls from any Director or Officer.

Note : 3 Reserve & Surplus

Sr. No	Particulars	At the End of	At the End of
		31.03.2014	31.03.2013
		(₹)	(₹)
a	Statutory Reserve		
	Opening Balance	2,873,221	—
	Add: Tfd during the year	2,773,778	2,873,221
	Closing Balance	5,646,999	2,873,221
b	Share Premium Account		
	Opening balance	107,898,000	107,898,000
	Less: Bonus Issue made during the Year	107,013,600	—
	Closing Balance	884,400	107,898,000
c	Surplus in Statement of Profit & loss		
	Opening Balance	20,780,972	17,077,017
	Add: Net Profit for the year	12,790,175	14,366,105
	Less Tfd to Statutory Reserve	2,773,778	2,873,221
	Less: Proposed Dividend	—	6,688,350
	Less: Tax on Proposed dividend	—	1,100,578
	Closing Balance	30,797,369	20,780,972
d	Misc Expenditure (Dr Balances)		
	Share Issue Expenses	(95,000)	(118,750)
	Total	(95,000)	(118,750)
	Total in ₹	37,233,768	131,433,443



Note : 4 DEFFERED TAX LIABILITIES

Sr. Particulars No	At the End of 31.03.2014 (₹)	At the End of 31.03.2013 (₹)
a Deferred Tax Liability due to Diff. in Depreciation as per IT Act & Companies Act	25,748	17,079
Total in ₹	25,748	17,079

Note : 5 Short Term Borrowings

Sr. Particulars No	At the End of 31.03.2014 (₹)	At the End of 31.03.2013 (₹)
a Secured Loans	—	—
b Unsecured Loans		
Loans Repayable on Demand		
From Body Corporates	453,981,057	462,920,691
From Other	22,500,000	29,200,000
From Related Parties	206,500,000	185,900,000
Total in ₹	682,981,057	678,020,691

Note : 6 Other Current Liabilities

Sr. Particulars No	At the End of 31.03.2014 (₹)	At the End of 31.03.2013 (₹)
1 Expenses Payable	492,137	513,560
2 Unclaimed Dividend:-		
2010-2011	36,000	36,000
2011-2012	136,672	337,797
3 Duties & Taxes Payable	4,787,291	3,758,551
4 Proposed Dividend	—	6,688,350
5 Tax on Proposed Dividend	—	1,100,578
7 HDFC Bank Ltd Patel Nagar, New Delhi	—	4,799,558
Total in ₹	5,452,100	17,234,393

Note : 7 Short Term Provisions

Sr. Particulars No	At the End of 31.03.2014 (₹)	At the End of 31.03.2013 (₹)
1 Provision for Taxation	6,068,121	5,909,065
Total in ₹	6,068,121	5,909,065



(Amount in ₹)

Note: 8 Fixed Asset
SCHEDULE AS PER COMPANIES ACT OF 1956

Sr. No	Particulars	Gross Block (Cost/Valuation)		Depreciation/Amortisation/Impairment			Net Block				
		01.04.2013	Addition during the year	Disposal during the year	31.03.2014	Upto 31.03.2013	Charge During the Year	Disposal Adjustments	Upto 31.03.2014	31.03.2014	31.03.2013
	Tangible Assets										
1	Computer	187,175	120,299	—	307,474	141,472	26,202	—	167,674	139,800	45,703.00
2	Mobile Phone	116,548	13,965	—	130,513	27,692	12,974	—	40,666	89,847	88,856.00
3	Vehicles	1,832,711	—	—	1,832,711	701,722	157,321	—	859,043	973,668	1,130,989.00
4	Electric Equipment	38,490	7,600	—	46,090	12,965	3,812	—	16,777	29,313	25,525.00
5	Furniture & Fixtures	270,300	—	—	270,300	110,689	28,890	—	139,579	130,721	159,611.00
6	Office Equipment	21,009	—	—	21,009	3,767	2,398	—	6,165	14,844	17,242.00
7	Softwares	—	17,500	—	17,500	—	4,788	—	4,788	12,712	—
	Total (Current Year)	2,466,233	159,364	—	2,625,597	998,307	236,385	—	1,234,692	1,390,904.80	1,467,926
	Previous Year	2,315,039	151,194	—	2,466,233	760,513	237,794	—	998,307	1,467,926	1,554,526



Note: 9 Non - Current Investments

Sr. No.	Name of Company	No. of Shares		Face Value/ Unit	Amt. in ₹	
		As at 31.03.14	As at 31.03.13		As at 31.03.14	As at 31.03.13
a	Trade Investments (Quoted)					
1	Avonmore Capital & Management Services Ltd.	1,000,000	—	10/-	20,000,000	—
2	Pranvadiya Spinning Mills Ltd.	500,000	—	10/-	2,055,875	—
3	ICICI Mutual Fund	76827.33	—	10/-	1,000,000	—
	Total in ₹				23,055,875	—
b	Trade Investments (Unquoted)					
1	B Dev Reality pvt Ltd	—	31,250	10/-	—	2,500,000
2	Cross Trade Lines (P) LTD.	—	20,000	10/-	—	10,000,000
3	EPS Finvest (P) LTD.	—	22,000	10/-	—	2,200,000
4	Gold Squire Builders & Promotors (P) LTD.	10,000	15,300	10/-	1,000,000	1,530,000
5	P.S. Shares Pvt Ltd.	—	10,000	10/-	—	2,400,000
6	RP Finance Co Ltd	—	20,000	10/-	—	2,600,000
	Total in ₹				1,000,000	21,230,000
	G.Total in ₹ (a+b)				24,055,875	21,230,000

**Note: 10 Inventories**

Name of the Company	Face Value	No. of Shares	As at 31.03.2014	No. of Shares	As at 31.03.2013
Quoted					
Ahmed Nagar Forging Ltd.	10/-	6	645	6	645
Anant Raj Ltd.	2/-	2,000	114,000	2,000	126,100
Brijlaxmi Leasing & Finance Ltd.	1/-	6,000	1,500	6,000	1,500
Film City Media Ltd.	1/-	1,375,000	990,000	1,375,000	990,000
Global Film & Broadcasting Ltd.	1/-	13,500	165,143	13,500	165,143
Gtech Info Training Ltd.	1/-	67,000	26,800	67,000	26,800
Jaipan Industries Limited	10/-	844	5,908	844	9,056
Kolte Patil Dev. Ltd.	10/-	—	—	5,000	443,250
Maharashtra Corporation Ltd.	10/-	1,609	7,283	1,609	9,557
Network 18 Media & Inv. Ltd.	5/-	49,150	1,562,503	11,840	346,912
NMDC Ltd.	10/-	—	—	5,000	687,750
Odessey Corporation Ltd.	5/-	5,000	74,500	—	—
Pentafour Media & Graphics Ltd.	10/-	200	140	200	286
Punj Lloyd Corp. Ltd.	2/-	10,000	267,867	—	—
Shalimar Production Ltd.	1/-	494,280	2,591,372	30,553	36,664
Spice Mobility Ltd.	3/-	1,643	42,061	—	—
Surya India Limited	10/-	238,125	726,281	238,125	726,281
Suven life Sciences Ltd.	1/-	2,000	143,800	—	—
Turbotech engineering Ltd.	10/-	2,000	39,300	—	—
IBN 18 Broadcast Ltd.	2/-	35,000	815,411	10,000	288,500
UCO Bank	10/-	—	—	3,000	167,250
Vijay Bank	10/-	2,000	79,500	—	—
Visagar Polytext Ltd.	1/-	515	46,839	515	73,186
Total			7,700,852.80		4,098,879

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

Note : 11 Current Asset -Trade Recievables

Sr. No	Particulars	At the End of 31.03.2013 (₹)	At the End of 31.03.2012 (₹)
1	Outstanding for more than six months		
	a) Secured, Considered Good :	—	—
	b) Unsecured, Considered Good :	14,513,652	—
	c) Doubtful	—	—
	Less: Provision	—	—
2	Others		
	a) Secured, Considered Good :	—	—
	b) Unsecured, Considered Good :	—	—
	c) Doubtful	—	—
	Total in ₹	14,513,652	—



Note : 12 Current Asset -Cash & Cash Equivalent

Sr. No	Particulars	At the End of 31.03.2014 (₹)	At the End of 31.03.2013 (₹)
1	Cash-in-Hand		
	Cash in hand	74,240	66,336
	Sub Total (A)	74,240	66,336
2	Balances at Banks		
a	Bank of Baroda, Rampur	10,296	10,296
b	HDFC Bank Ltd., New Delhi	49,197	49,197
c	HDFC Bank Ltd., New Delhi	1,363,665	—
d	HDFC Bank Ltd., New Delhi	404,590	—
e	ICICI Bank Ltd., New Delhi	89,960	43,590
f	HDFC Dividend A/C (FY 2010-11)	21,000	36,000
g	HDFC Dividend A/C (FY 2011-12)	151,672	337,797
h	Kotak Mahindra Bank Limited, New Delhi	213,070	—
	Sub Total (B)	2,303,449	476,879
	Total [A + B]	2,377,689	543,215

Note : 13 Short Terms Loans and Advances

Sr. No	Particulars	At the End of 31.03.2014 (₹)	At the End of 31.03.2013 (₹)
1	Loans & Advances to related parties		
a)	Secured, Considered Good :		
	Advance to Associate Concerns	—	—
b)	Unsecured, Considered Good :	—	—
c)	Doubtful	—	—
2	Others	909,871,040	925,774,534
	Advance Recoverable in cash or in kind or for value to be considered good		
	TDS 2013-14	5,189,117	—
	TDS 2012-13	148,576	5,993,309
	Refundable from IT Authorities (AY11-12)	232,171	232,171
	Refundable from IT Authorities (AY12-13)	1,509,732	1,509,732
	FBT Refundable	—	6,905
	Share Application Money to Corporates	5,500,000	5,500,000
	Security to Landlord- rampur	25,000	25,000
	Total in ₹	922,475,636	939,041,651

- a. In the opinion of the Board of Director of the Company, all items of "Current Assets, loans and Advances", continue to have a realizable value of at least the amount at which they are stated in the Balancesheet, unless otherwise stated.

**Note : 14 Revenue from Operations**

Sr. No	Particulars	At the End of 31.03.2014 (₹)	At the End of 31.03.2013 (₹)
1	Sale of Stocks & Shares	19,714,313	13,385,650
2	Interest on FDR	199	41
3	Interest income	50,217,027	50,102,848
4	Dividend income	13,712	5,206
5	Income on Sale of Investments	176,500	2,050,000
6	Income from Speculative Activities	76,030	14,943
7	Brokerage from Distribution Operation	30,310,550	18,990,795
Total in ₹		100,508,331	84,549,482

Note : 15 Change in Inventories

Sr. No	Particulars	At the End of 31.03.2014 (₹)	At the End of 31.03.2013 (₹)
1	Opening Stock of Shares	4,098,879	10,309,160
2	Closing Stock of Shares	7,700,853	4,098,879
Total in ₹		(3,601,973)	6,210,280

Note : 16 Employee Benefits Expenses

Sr. No	Particulars	At the End of 31.03.2014 (₹)	At the End of 31.03.2013 (₹)
1	Salary	6,540,000	5,441,400
2	Staff Welfare Expense	86,245	71,600
Total in ₹		6,626,245	5,513,000

Note : 17 Finance Costs

Sr. No	Particulars	At the End of 31.03.2014 (₹)	At the End of 31.03.2013 (₹)
1	Interest	29,385,151	21,861,356
Total in ₹		29,385,151	21,861,356

Note : 18 Depreciation & Amortisation Expenses

Sr. No	Particulars	At the End of 31.03.2014 (₹)	At the End of 31.03.2013 (₹)
1	Depreciation	236,385	237,794
Total in ₹		236,385	237,794



Note : 19 Other Administrative Expenses

Sr. No	Particulars	At the End of 31.03.2014 (₹)	At the End of 31.03.2013 (₹)
1	Audit Fee	112,360	112,360
2	Advertisement & Publicity	84,909	102,596
3	Bank Charges	13,963	—
4	Board Meeting Fee to Directors	133,000	205,500
5	Books & periodicals	69,785	52,934
6	Brokerage & Commission	1,280,555	10,365,200
7	Computer Maintenace	19,450	20,146
8	Conveyance Charges	432,327	364,016
9	Depository Charges (CDSL/NSDL)	91,833	82,327
10	Interest paid on taxes	279,835	—
11	Service tax paid on Directors Fee	16,443	—
12	Miscellaneous Expenses	239,415	10,208
13	Office Expenses	344,147	214,117
14	Postage & Courier Expenses	163,972	128,405
15	Share Issue Expenses W/Off	23,750	23,750
16	Printing & Stationery Expenses	204,171	150,099
17	Professional Charges	339,210	815,996
18	Registrar & Transfer Agent Expenses	25,691	12,585
19	Rent Rates & Electricity Charges	463,110	309,815
20	ROC Filling Fees	517,500	7,000
21	Stock Exchange Expenses	242,234	84,930
22	Share Trading Expenses	66,056	27,856
23	Telephone Expenses	78,933	107,403
24	Travelling Expenses	204,600	167,701
25	Vehicle Running & Maintainance	398,398	359,374
Total in ₹		5,845,647	13,724,318

**20. Related Party Disclosures:****(A) List of related parties** (Where transactions have taken place)

i. Ker Managerial Personnel & their Relatives

S. NO.	NAME	RELATION
1	Raj Kumar Modi	Managing Director
2	Rekha Modi	Director
3	Gauri Shankar Modi	Relative of Director

ii. Enterprise over which Key Management person and his relatives exercise significant influence

S.No.	Name
1	RRP Management Services Pvt. Ltd.
2	Prabhat Management Services Pvt. Ltd.

(B) Transaction with related parties:

Particulars	Key Management Personnel & Relatives		Enterprises having significant influence over the Company		Enterprise over which Key Management person and his relatives exercise significant influence	
	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
Rent Paid	300,000	2,70,000	NIL	NIL	NIL	NIL
Director Remuneration Paid	1,500,000	15,00,000	NIL	NIL	NIL	NIL
Inter Corporate Deposits availed	NIL	NIL	NIL	NIL	39,300,000	315,650,000
Inter Corporate Deposits Repaid	NIL	NIL	NIL	NIL	18,700,000	129,750,000
Unsecured Loan Received	NIL	NIL	NIL	NIL	NIL	NIL
Unsecured Loan Repaid	NIL	345,000	NIL	NIL	NIL	NIL
Balance Outstanding at year end						
Unsecured Loan	NIL	345,000	NIL	NIL	NIL	NIL
Inter Corporate Deposits	NIL	NIL	NIL	NIL	206,500,000	185,900,000

(C) Related parties are identified by the management & relied upon by the Auditor.**(D)** No balance in respect of related parties have been written off.

21. Documents of Car No. DL 3C BA 2675 of the company are in the name of Sh. Raj Kumar Modi Managing Director of the company.
22. 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. The Company has provided for deferred tax in accordance with AS-22.

23. Deferred Tax (Net)

	Deferred tax Liab. As at 31.03.2013	Current Year Deferred Tax Assets	Deferred tax Liab. As at 31.03.2014
(Difference between book and tax Depreciation)	17,079	8,669	25,748



24. Payment to Director's

Sr. No	Particulars	At the End of 31.03.2014 (₹)	At the End of 31.03.2013 (₹)
1.	Salary	1,500,000	1,500,000
2.	Director's Sitting Fees	133,000	205,000

25. Expenditure on employee's in respect of remuneration in aggregate of not less than Rs. 2,400,000/- P.A. or Rs. 200,000/- P.M. when employed for a part of the year. **NIL**

26. Balance due to / from some of the parties are subject to confirmation.

27. Previous year's figures are re-classified, re-grouped, re-arranged where is necessary.

28. Payment of Dividend

Dividend is paid under three modes viz:

- (a) National Electronic Clearing Services (NECS)
- (b) National Electronic Fund Transfer (NEFT)
- (c) Physical dispatch of Dividend Warrants

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

Shares, Securities, Bonds & Commodities	Qty.	Amount
Opening Stock	1,770,192	4,098,979
(Previous Year)	12,891,068	10,309,160
Purchases	1,017,270	43,149,911
(Previous Year)	495,403	51,036,789
Sales	481,590	19,714,313
(Previous Year)	491,279	13,385,650
Closing Stock	2,305,872	7,700,853
(Previous Year)	1,770,192	4,098,979

As per our report of even date attached

FOR M. M. GOYAL & CO.

Chartered Accountants

Firm Registration No.007198N

FOR PMC FINCORP LIMITED

(MANMOHAN GOYAL)

Partner

Membership No. : 86085

(R. K. MODI)

Managing Director

(REKHA MODI)

Director

Place : New Delhi

Date : 30.05.2014

(RAMAN KUMAR)

Company Secretary

PMC Fincorp Limited

(formerly Priti Mercantile Company Limited)

Regd. Office: B-10, VIP Colony, Civil Lines, Rampur - 244901 (U.P.)

Corp. Office: 15/76, 2nd Floor, Old Rajender Nagar, New Delhi - 110060

Tel No.: 011 - 42436847, Email Id: pritimercantile@gmail.com Website : www.pmcfinance.in

CIN: L27109UP1985PLC006998

Form No. MGT-11 PROXY FORM

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

29TH ANNUAL GENERAL MEETING

SATURDAY, 27TH SEPTEMBER, 2014, at 10.00 A.M.

I/We _____ R/o _____
_____ being a Member/ Members of **PMC FINCORP LIMITED**,
hereby appoint Mr./Mrs. _____
failing him/ her Mr./Mrs. _____
R/o _____

as my/ our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 29th Annual General Meeting of the members of the Company, to be held on Saturday, 27.09.2014 at 10:00 A.M at Modipur Hotel, Bareilly Road, Rampur, Uttar Pradesh-244901 and at any adjournment thereof in respect of such Resolutions listed overleaf/annexed.

Signed on this _____ Day of September, 2014

Signature :

Address :

Folio No. :

No. of Equity Shares held :

Affix a
1 Rupee
Revenue
Stamp

Notes:

1. Any Member entitled to attend and vote at the Meeting is entitled to attend and either vote in person or by Proxy and the proxy need not be a Member.
2. Proxy form duly signed across Revenue Stamp of Re. 1.00 should reach the Company's Registered Office not less than 48 hours before the time for holding the aforesaid meeting. The Proxy need not be a Member of the Company.

S. No.	RESOLUTIONS	OPTIONAL*	
		FOR	AGAINST
Ordinary Business			
1.	Adoption of Audited Financial Statements of the company for the year ended on 31st March, 2014.		
2.	Re-appointment of Mrs. Rekha Modi (DIN: 01274200), Director of Company who retires by rotation and being eligible offering herself for re-appointment.		
3.	Re-appointment of Statutory Auditors of the Company till the conclusion of the next Annual General Meeting.		
Special Business			
4.	Re-appoint of Mr. Vishnu Bhagwan Agarwal as an Independent Director in terms of the Companies Act, 2013.		
5.	Re-appoint of Mr. Pramod Gupta as an Independent Director in terms of the Companies Act, 2013.		
6.	To Sub-Division of the Nominal Value of existing equity shares of the Company from Rs. 5/- each into Rs. 1/- each.		
7.	To Re-appoint of Mr. Raj Kumar Modi as Managing Director for period of 3 years and payment of remuneration.		
8.	Approval of limit of borrowing power in terms of the provisions of Section 180(1)(c) of the companies Act, 2013		

Signed this day of September, 2014

Signature of Shareholder

Address :

Folio No. :

No. of Equity Shares held :

Affix a 1 Rupee Revenue Stamp
--

Notes:

1. This form of proxy in order to be effective should be duly completed and deposited at the Office of the Company, not less than 48 hours before the commencement of the meeting.
2. For the Resolutions, Explanatory Statements and Notes, please refer to the Notice of 29th Annual General Meeting and Notice.
3. *It is optional to put (√) in the appropriate column against the Resolutions indicated in the Box. If you leave the "FOR" or "AGAINST" columns BLANK in all or any of resolutions, your Proxy will be entitled to vote in the manner as he / she thinks appropriate.
4. Please complete all details including details of member(s) & as in the above box before submission.

PMC Fincorp Limited

(formerly Priti Mercantile Company Limited)

Regd. Office: B-10, VIP Colony, Civil Lines, Rampur - 244901 (U.P.)

Corp. Office: 15/76, 2nd Floor, Old Rajender Nagar, New Delhi - 110060

Tel No.: 011 - 42436847, Email Id: pritimercantile@gmail.com Website : www.pmcfinance.in

CIN: L27109UP1985PLC006998

ATTENDANCE SLIP

29TH ANNUAL GENERAL MEETING

SATURDAY, 27TH SEPTEMBER, 2014, at 10.00 A.M.

at Modipur Hotel, Bareilly Road, Rampur, Uttar Pradesh-244901

Members are requested to bring copy of Annual Report, Notice along with them to the Annual General Meeting. Please complete this Attendance Slip and hand-over at the Entrance. Only Members or their Proxies are entitled to be present at the Meeting.

Name of the Shareholder :

Ledger Folio No. :

Address :

No. of Shares held :

Name of the Proxy :

I/ We hereby record my/ our presence at the Annual General Meeting of the Company.

Place :

Dated :

Member's / Proxy's Signature

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CIN: L27109UP1985PLC006998

E-Mail Registration Form for Holding shares in Physical Form

To

Indus Portfolio Pvt. Ltd.

Unit : PMC Fincorp Limited

G-65, Bali Nagar,

New Delhi-110015

Green Initiative in Corporate Governance

I am a shareholder of the Company. I want to receive all communication from the Company including the Notices, Annual Reports etc. through email. Please register my e-mail ID, set out below, in your records for sending communication through e-mail:

Folio/Client Id. & DP Id. _____ E-mail Id. _____

Name of Holder(s) _____

Registered Address _____

Date : _____

Signature: _____

Notes:

- i) On registration, all communications will be sent to the E-mail Id. Registered in the Folio/Client Id. & DP Id.
- ii) Holders of shares in demat form are requested to register/update their e-mail id with their Depository Participant.

PMC Fincorp Limited

-: Corporate Office :-

15/76, 2nd Floor, Old Rajender Nagar, New Delhi - 110060