



PMC Fincorp Limited

Annual Report

2016-17

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| 32nd ANNUAL GENERAL MEETING | |
|------------------------------------|---|
| DATE | 23rd September, 2017 |
| DAY | Saturday |
| TIME | 12:30 P.M. |
| PLACE | MoodFood Restaurant Opposite Ambedkar Park, Civil Lines, Rampur, Uttar Pradesh-244901 |



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>STATUTORY AUDITORS</u> M/s M. M. Goyal & Co. Chartered Accountants, Firm Registration No.007198N 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>INTERNAL AUDITORS</u> M/s. KPSP & Associates (Formerly Known as Krishan K Aggarwal & Associates) Chartered Accountants, Firm Registration No.019471N 107, Padma Tower - 1, Rajendra Place, New Delhi | | <u>SECRETARIAL AUDITORS</u> M/s Ashu Gupta & Co., Company Secretaries FCS No.:4123, CP No.: 6646 204A, Second Floor, S.B.I. Building, 23, Opp. DLF Tower, Shivaji Marg, New Delhi-110015 |
| <u>BANKERS</u> HDFC Bank Ltd. ICICI Bank Limited Kotak Mahindra Bank Ltd. | | <u>REGISTRAR & TRANSFER AGENT</u> Indus Portfolio Pvt. Ltd. G-65, Bali Nagar, New Delhi - 110 015 Phone : 011-47671214, 47671217 E-mail : cs.anamika@indusinvest.com |
| <u>REGISTERED OFFICE</u> B-10, VIP Colony, Civil Lines, Rampur - 244901 (U.P.) | | <u>CORPORATE OFFICE</u> 14/5, Old Rajender Nagar, New Delhi - 110 060. |
| <u>COMPANY SECRETARY</u> Mr. Shankar Tayal | | <u>CHIEF FINANCIAL OFFICER</u> Mr. Vijay Kumar Yadav |
| CONTACT DETAILS | | |
| Tel : 011 - 42436846 Email : pritimercantile@gmail.com Website : www.pmcfinance.in | | |

IMPORTANT COMMUNICATION TO THE MEMBERS

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

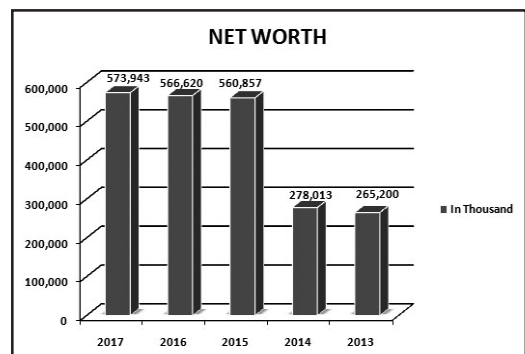
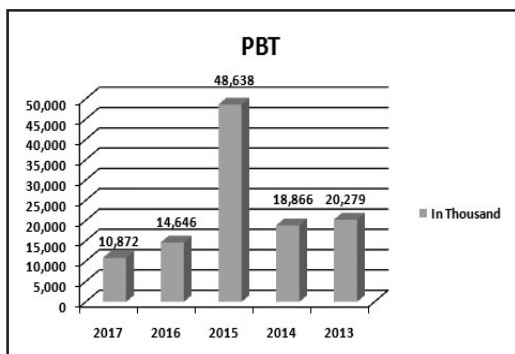
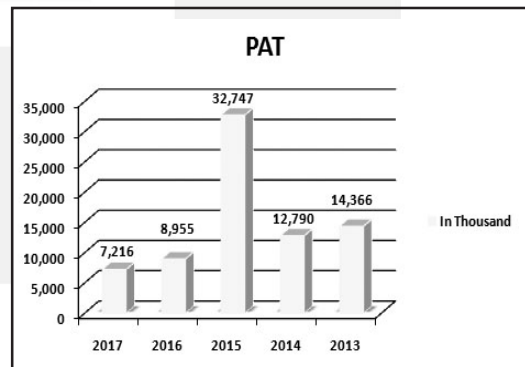
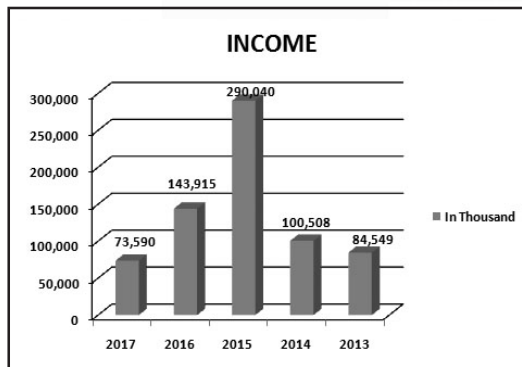


LAST FIVE YEARS AT A GLANCE

(₹ in Thousand)

| Sl. No. | Particulars/Financial Year | 2016-17 | 2015-16 | 2014-15 | 2013-14 | 2012-13 |
|---------|-----------------------------|---------------|---------|---------|---------|---------|
| 1 | Sales/Income from operation | 73590 | 143915 | 290040 | 100508 | 84549 |
| 2 | PBT | 10872 | 14646 | 48638 | 18866 | 20279 |
| 3 | Tax/Deferred Tax | 3656 | 5691 | 15890 | 6077 | 5913 |
| 4 | PAT | 7216 | 8955 | 32747 | 12790 | 14366 |
| 5 | Dividend | — | — | — | — | 5% |
| 6 | Equity Capital | 486561 | 486561 | 243281 | 240780 | 133767 |
| 7 | Reserve & Surpluse | 87382 | 80059 | 317576 | 37233 | 131433 |
| 8 | Net Worth | 573943 | 566620 | 560857 | 278013 | 265200 |
| 9 | EPS (₹1/- per share) | 0.01 | 0.02 | 0.13 | 0.29* | 0.53* |
| 10 | Book Value (₹1/- per share) | 1.18 | 1.16 | 2.31 | 5.77* | 9.91* |

* (₹5/- per share)



**NOTICE**

Notice is hereby given that the 32nd Annual General Meeting of the Members of **PMC FINCORP LIMITED** will be held on **Saturday, the 23rd day of September, 2017 at 12.30 P.M.** at the MoodFood Restaurant, Opposite Ambedkar Park, Civil Lines, Rampur, Uttar Pradesh - 244901 to transact the following business:-

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2017 and the Statement of Profit & Loss for the year ended on that date, 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 appoint M/s Sunil K. Gupta & Associates, Chartered Accountants (Firm Registration No. 002154N) as Statutory Auditors of the Company, who shall hold office from the conclusion of this Annual General Meeting until the conclusion of the 37th Annual General Meeting of the Company, to be held in the year 2022, subject to ratification of their appointment at every Annual General Meeting, on such remuneration as may be decided by the Board, based on the recommendations of Audit Committee.

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

(SHANKARTAYAL)
Company Secretary
Membership No. 50094

Place : New Delhi
Date : 12.08.2017

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 carrying voting rights. A member holding more than ten percent, of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.
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.
3. The Explanatory Statement pursuant to under section 102 of the Companies Act, 2013, in respect of special business is annexed hereto.
4. The Register of Members and Share Transfer Books of the Company will remain closed from **Saturday, September 16, 2017 to Saturday September 23, 2017, both days inclusive.**
5. Members holding shares in electronic mode are requested to keep their email addresses updated and intimate immediately any change in their address, bank mandates to their Depository Participants. Members holding shares in physical mode are also requested to update their email addresses, advise any change in their address, bank mandates by writing to M/s. Indus Portfolio Pvt. Ltd., G- 65, Bali Nagar, New Delhi-110015 quoting their folio number(s).



6. Members holding shares in physical form are requested to consider converting their holding to dematerialised form to eliminate all risks associated with physical shares and for ease in portfolio management. Members can contact the Company or M/s. Indus Portfolio Pvt. Ltd., G- 65, Bali Nagar, New Delhi- 110015 for assistance in this regard.
7. 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 their nomination in prescribed form no. SH 13 duly filled in to the Corporate office at 14/5, Old Rajender Nagar, New Delhi-110060. The Prescribed form (SH-13) can be obtained from the corporate office of the Company or its RTA M/s. Indus Portfolio Private Limited, Members holding shares in electronic form may contact their respective Depository Participants for availing this facility.
8. 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.
9. 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.
10. 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 depositoryparticipant's registered with NSDL or CDSL.
11. The Securities Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore requested to submit the PAN to their Depository Participant with whom they are maintaining their dematerialised accounts. Members holding shares in physical form can submit their PAN details to the Company's Registrar and Transfer Agent M/s. Indus Portfolio Private Limited.
12. Pursuant to Regulation 36 of the SEBI (LODR) Regulations, 2015 and Sections 20, 101 and 136 of the Companies Act, 2013, electronic copy of Annual Report and this Notice inter-alia indicating the process and manner of e- voting along with Attendance Slip and proxy form are being sent by e-mail to those shareholders whose e-mail addresses have been made available to the Company/ Depository Participants unless any member has requested for a hard copy of the same.
13. In accordance with Section 136 of the Companies Act, 2013, the audited financial statements, Notice and all other material documents are available for inspection at the Registered Office of the Company during business hours on all days except Saturdays, Sundays and Public holidays up to the date of the Annual General Meeting. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013 will be available for inspection by the members at the Annual General Meeting.
14. In terms of Section 152 of the Companies Act, 2013, Mrs. Rekha Modi (DIN: 01274200), Director retires by rotation at the meeting and being eligible, offers herself for re-appointment. The relevant details of Mrs. Rekha Modi (DIN: 01274200), as required under Regulation 36(3) of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015, ("SEBI (LODR) Regulations, 2015") is annexed to this notice.
15. Members are requested to hand over the enclosed Attendance Slip, duly signed in accordance with their specimen signature(s) registered with the Company for admission to the meeting hall. Members who hold shares in dematerialised form are requested to bring their Client ID and DP ID numbers for identification. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
16. In compliance of clause 35B of Listing Agreement, members are hereby informed that if any member does not have access to e-voting facility may ask for Ballot form to cast their vote either by writing to the Corporate office of the Company or may mail at pritimercantile@gmail.com.



17. The Company has designed an exclusive e-mail ID prtimercantile@gmail.com for redressal of shareholder's complaints/grievances.

18. Voting through electronic means

1. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and clause 35B of Listing Agreement and Regulation 44 of the SEBI (LODR) Regulations, 2015, the Company is pleased to provide members facility to exercise their right to vote on the resolutions proposed to be passed in the 32nd Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by National Securities Depository Limited (NSDL).

"Remote e-voting" means the facility of casting votes by a member using an electronic system from a place other than the venue of the General Meeting.

2. The e-voting period commences on **Wednesday, September 20, 2017 (9:00 am) till Friday, September 22, 2017 (5:00 pm)**. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of Saturday, September 16, 2017, 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.
3. The Notice of the **32nd 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.
4. The procedure to login to e-Voting website is given below:
 - (i) Open the attached PDF file "e-Voting.pdf" giving your Client ID (in case you are holding shares in demat mode) or Folio No. (in case you are holding shares in physical mode) as password, which contains your "User ID" and "Password for e-voting". Please note that the password is an initial password. You will not receive this PDF file if you are already registered with NSDL for e-voting.
 - (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. i 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. If you are already registered with NSDL for e-voting then you can use your existing user ID and password. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on www.evoting.nsdl.com.
 - (vi) Password change menu appears. Change the password with new password of your choice with minimum 8 digits/characters or combination thereof.
 - (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 **Wednesday, September 20, 2017 (9:00 am) till Friday, September 22, 2017 (5:00 pm)**.

Note: e-Voting shall not be allowed beyond said time.
 - (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) Any person, who acquires shares of the Company and become Member of the Company after dispatch of the Notice and holding shares as on the cut-off date i.e. **Saturday, September 16, 2017** may obtain the login ID and password by sending a request at cs.anamika@indusinvest.com or www.evoting.nSDL.com by mentioning his/her Folio no. / DP ID and client ID No. However, if such a shareholder is already registered with NSDL for e-voting then existing user ID and password can be used for casting vote.
 - (xii) Upon confirmation, the message "Vote cast successfully" will be displayed.
 - (xiii) Once you have voted on the resolution, you will not be allowed to modify your vote.
5. Note for Non-Individual Shareholders and Custodians:
- 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 through an e-mail on pritimercantile@gmail.com with a copy marked to evoting@nsdl.co.in.
- Further, NSDL is pleased to inform you that NSDL has now integrated its e-Services website (<https://eservices.nSDL.com/>) with the aforesaid e-Voting system of NSDL, which enables you as a registered User of IDeAS facility to also access e-Voting system of NSDL for casting your votes by using your existing login credentials viz.; User ID and password of IDeAS facility. Thus, you would not be required to log-in to e-Voting system separately for casting votes in respect of the resolutions of companies.
6. 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 (In case the same is not resolved, you may contact to Mr. Raj Kumar Modi, Managing Director, email ID pritimercantile@gmail.com & Contact No. 011 - 42436846).
7. If you are already registered with NSDL for e-voting then you can use your existing user ID and password for casting your vote.
8. 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).
9. The Facility through ballot paper shall be made available at the AGM and the members attending the AGM who have not cast their vote by remote e-voting shall be able to exercise their right at the AGM through ballot paper.
10. The Members who have cast their vote by e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
11. The voting rights of Shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on, **Saturday, September 16, 2017**.
12. 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 of **September 16, 2017** and not casting their vote electronically, may only cast their vote at the Annual General Meeting.
13. **Ms. Ashu Gupta** (CP No. 6646) of M/s. Ashu Gupta & Co., Companies Secretaries, New Delhi has been appointed as the Scrutinizer to scrutinize the voting and e-voting process in a fair and transparent manner.
14. The Scrutinizer shall within a period of not exceeding three(3) days from the conclusion of the meeting make a Consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, and submit the same to the Chairman of the Company. The Chairman shall declare the results of the voting forthwith.
15. The Results declared by the Chairman along with the Consolidated Scrutinizer's Report shall be placed on the Company's website www.pmcfinance.in and on the website of NSDL. The results shall be simultaneously communicated to the BSE Limited.



| | | | | |
|---|---|---|---|---|
| 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 22 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 | 1620000 | 8640000 | NIL | NIL |
| Number of Directorships held in Public Limited Companies | 1 | NIL | NIL | NIL |
| List of Committees of the Board of Directors (across all companies) in which Chairmanship / Membership | 3 | 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, Nomination & Remuneration Committee and Stakeholder Relationship Committee of only public Companies have been included in the aforesaid table.

**DIRECTORS' REPORT**

To,

The Shareholders,
PMC FINCORP LIMITED

Your Directors have pleasure in submitting their 32nd Annual Report of the Company together with the Audited Statements of Accounts for the year ended on 31st March, 2017.

FINANCIAL SUMMARY/HIGHLIGHTS

The Company's financial performance for the year under review along with previous year's figures are given hereunder:

Particulars for the Year ended 31st March, 2017.

(Amount in ₹)

| PARTICULARS | Year ended 31.03.2017 | Year ended 31.03.2016 |
|---|--------------------------|--------------------------|
| Gross Income | 73,589,742 | 143,914,694 |
| Profit/Loss Before Interest and Depreciation (EBITDA) | 46,922,198 | 38,799,198 |
| Finance Charges | 35,301,258 | 22,880,552 |
| Gross Profit/Loss | 11,620,940 | 15,918,646 |
| Provision for Depreciation | 748,920 | 1,272,293 |
| Net Profit Before Tax | 10,872,020 | 14,646,353 |
| Provision for Tax | 3,656,136 | 5,691,232 |
| Net Profit After Tax | 7,215,884 | 8,955,121 |

Your Company has earned Income from operation and profit before tax aggregated to Rs. 7.36 Crores and Rs. 1.08 Crores during the current year, respectively as compared to Income Rs. 14.39 Crores and Profit Rs. 1.46 Crores during the previous year.

DIVIDEND

Your Director's do not recommend any dividend for the financial year ended on 31st March, 2017 and no amount has been transferred to General reserve.

SHARE CAPITAL

During the year under Report, the Company has not issued any share capital.

ISSUED OF CONVERTIBLE WARRANTS

The Company has issued 22,500,000 Convertible Warrants to two promoter entities of the company on 2nd April, 2016. The warrants are convertible into equity shares at the option of the warrant holder within a period of 18 months.

LISTING INFORMATION

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

LISTING AGREEMENT

The Securities and Exchange Board of India (SEBI), on September 2, 2015 issued SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015. The said regulations which became effective December 1, 2015 required all Listed Companies to enter into the fresh Listing Agreements within six months from the effective date. Accordingly, the Company entered into Listing Agreement with BSE Limited during February, 2016.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO****Conservation of energy and technology absorption**

The Company, being a non-banking finance company (NBFC), does not have any manufacturing activity. The directors, therefore, have nothing to report on 'conservation of energy and technology absorption'.

Foreign Exchange

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

RISK MANAGEMENT FRAMEWORK

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

DISCLOSURES**Committees of the Board**

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

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

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

VIGIL MECHANISM & WHISTLE BLOWER POLICY

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

POLICIES

The Company has adopted the various policies in compliance with the provisions of SEBI (LODR) Regulations, 2015 at their duly convened Board meetings held on 29th December, 2015:

1. Policy for Determination of Materiality of Disclosures.
2. Policy on Materiality of Related Party Transactions.
3. Adoption of policy on preservation of documents.
4. Adoption of archival policy.

The details of the Policy are available on the website of the Company at www.pmcfinance.in.

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 is categorized as a Non-deposit taking Non-Banking Financial Company. The Company has not accepted any deposit from the public during the year pursuant to the provisions of Section 73 of Companies Act, 2013.

TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

The provisions of Section 125(2) of the Companies Act, 2013 does not apply and no amount is due for transfer to investor education and protection fund.



MATERIAL CHANGES AND COMMITMENT IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THIS FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT

There have been no material changes and commitments, affecting the financial position of the Company, which have occurred between the end of the financial year of the Company and the date of this Report.

TRANSFER TO RESERVES

Our Company has in accordance with the provisions of Section 45-IC of the Reserve Bank of India (RBI) Act, 1934, created a Reserve Fund and during the year under review the Company has transferred an amount of Rs. 14,43,177/- (Rupees Fourteen Lakh Forty Three Thousand One Hundred Seventy Seven Only) out of the profits of the year to the said Reserve Fund.

DEMATERILISATION OF SHARES

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

REMUNERATION AND PARTICULARS OF EMPLOYEES

The information required pursuant to Section 197(12) read with Rule 5 of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the company, will be provided upon request. In terms of Section 136 of the Act, the Report and Accounts are being sent to the Members and others entitled thereto, excluding the information on employee's particulars which is available for inspection by the members at the Registered Office of the Company during business hours on working days of the Company up to the date of ensuing AGM. Any Member is interested in obtaining a copy thereof, such Member may write to the Company Secretary in this regard.

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

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

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

PREVENTION OF INSIDER TRADING

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

RELATED PARTY TRANSACTIONS

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

A policy on materiality of related party transactions and dealing with related party transactions is placed on the Company's website www.pmcfinance.in.

**SECRETARIAL STANDARDS OF ICSI**

Pursuant to the approval from the Ministry of Corporate Affairs, the Institute of Company Secretaries of India (ICSI) has, on 23 April 2015, notified the Secretarial Standards on Meetings of the Board of Directors (SS-1) and General Meetings (SS-2) effective from 1 July 2015. The Company is compliant with the same.

STATUTORY AUDITORS

As per the provisions of Section 139 of the Companies Act, 2013 and the Rules made thereunder, the Audit Committee have proposed and the Board of Directors of the Company has recommended the appointment of Sunil K. Gupta & Associates, Chartered Accountants (Firm Registration No. 002154N) as the statutory auditors of the Company. Sunil K. Gupta & Associates, will hold office for a period of five consecutive years from the conclusion of the 32nd Annual General meeting of the Company, scheduled to be held on 23rd September, 2017, till the conclusion of the 37th Annual General Meeting to be held in the year 2022, subject to the approval of the shareholders of the Company. The first year of audit will be of the financial statements for the year ending 31st March, 2018, which will also include the review of the quarterly financial statement for the year.

A certificate from the proposed Auditors have been received to the effect that their appointment, if made, would be within the prescribed limits under Section 141(3)(g) of the Companies Act, 2013.

SECRETARIAL AUDITORS

Pursuant to the provisions of Section 204(1) of the Companies Act 2013 read with rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, the company has appointed M/s Ashu Gupta & Co., Company Secretaries as Secretarial Auditors of the Company, to undertake the secretarial audit of the Company for the FY 2016-17. The Secretarial Audit report MR-3 submitted by Company Secretary in Practice is enclosed as part of this report **Annexure-II**.

INTERNAL AUDITORS

M/s. KPSP & Associates (formerly known as Krishan K Aggarwal & Associates), Chartered Accountants (FRN: 019471N), who has been appointed as Internal Auditors of the Company during last financial year for a period of three years is continuing as internal auditors. Their reports are being reviewed by the Audit Committee from time to time.

INTERNAL FINANCIAL CONTROLS

The Company has adequate Internal Financial Controls with proper checks to ensure that transactions are properly authorised, recorded and reported apart from safeguarding its assets. These systems are reviewed and improved on a regular basis. It has a comprehensive budgetary control system to monitor revenue and expenditure against approved budget on an ongoing basis.

The internal auditors of the Company review the controls across the key processes and submits reports periodically to the Management and significant observations are also presented to the Audit Committee for review. Follow up mechanism is in place to monitor the implementation of the various recommendations.

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

There were no qualifications, reservations or adverse remarks made by the Auditors in their respective reports.

As required under section 204(1) of the Companies Act, 2013 the Company has obtained a secretarial audit report. Certain observations made in the report with regard to non filing of some e-forms. However, the company is in process of filling these forms and would ensure in future that all the provisions are complied to the fullest extent.



COMPANY'S POLICY RELATING TO DIRECTORS APPOINTMENT, PAYMENT OF REMUNERATION AND DISCHARGE OF THEIR DUTIES

In accordance with Section 178 and other applicable provisions if any, of the Companies Act, 2013 read with the Rules issued thereunder and Clause 49 of the Listing Agreement, the Board of Directors at their meeting held on 28th September, 2014 formulated and/or reconstituted the Nomination and Remuneration Committee and Policy of your Company on the recommendations of Nomination and Remuneration Committee. The salient aspects covered in the Nomination and Remuneration Policies relating to appointment of Directors, payment of Managerial remuneration, Directors qualifications, positive attributes, independence of Directors and other related matters as provided under Section 178(3) of the Companies Act, 2013.

NUMBER OF BOARD MEETINGS CONDUCTED DURING THE YEAR UNDER REVIEW

The Board of Directors duly met 7 times during the financial year from 1st April, 2016 to 31st March, 2017.

BOARD EVALUATION

Pursuant to provisions of the Companies Act, 2013, and Regulation 17(10) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, The Board of Directors has carried out an annual performance evaluation of its own performance, the Directors individually including Independent Directors. The Chairman of the Board who were evaluated on parameters such as level of engagement and contribution and independence of judgment thereby safeguarding the interest of the Company.

In compliance with the provisions of the Companies Act, 2013 and SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, the Independent Directors held a meeting on 14th February, 2017, and they, inter alia:

1. Reviewed the Performance of Non-Independent Directors and the Board as whole.
2. Reviewed the performance of the chairperson of the Company.
3. Assessed the quality, quantity and timeliness of flow of Information between the Company Management and the Board, which is necessary for the Board to effectively and reasonably perform their duties.

DECLARATION OF INDEPENDENT DIRECTORS

The Company has received necessary declaration from each Independent Directors under section 149(7) of the Companies Act, 2013 that he/she fulfills all the requirements as stipulated in Section 149(6) of the Companies Act, 2013 and Regulation 25 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

DIRECTORS RESPONSIBILITY STATEMENT

In accordance with the provisions of Section 134(5) of the Companies Act, 2013 the Board hereby submits its responsibility Statement:-

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;



- (d) the directors had prepared the annual accounts on a going concern basis; and
- (e) the Directors, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- (f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

The Company does not have any Subsidiary, Joint venture or Associate Company.

DEPOSITS

The Company has neither accepted nor renewed any deposits from the public or its employees under Section 73 of Companies Act, 2013 and rules made thereunder during the year under review.

KEY MANAGERIAL PERSONNEL AND BOARD OF DIRECTORS

According to the Companies Act, 2013, at least two-thirds of the total number of directors (excluding independent directors) shall be liable to retire by rotation. Mrs. Rekha Modi (DIN 01274200), Non-Executive Director, being the longest in the office amongst the directors liable to retire by rotation, retires from the Board by rotation this year and, being eligible, has offered her candidature for re-appointment. Necessary resolution for this purpose is proposed in the notice of the ensuing annual general meeting for the approval of the members.

CORPORATE SOCIAL RESPONSIBILITY

Pursuant to the provisions of Section 135 of the Companies Act, 2013, Corporate Social Responsibility Policy is not applicable on your Company. Accordingly the CSR Committee was not constituted.

ANNUAL RETURN

The extracts of Annual Return pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and administration) Rules, 2014 is furnished in **Annexure-III** and is attached to this Report.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management Discussion and Analysis Report for the year under review, as stipulated under Regulation 34 of the SEBI (LODR) Regulations, 2015, forms part of this Annual Report .

CORPORATE GOVERNANCE

The Report on corporate governance as stipulated under the SEBI (LODR) Regulations, 2015 forms part of this Report in **Annexure-IV** along with the Report on "Management Discussion and Analysis Report". The requisite certificate from M/s M.M. Goyal & Co., Chartered Accountant confirming compliance with the conditions of corporate governance is attached to the Corporate Governance Report.

All Board members and Senior Management personnel have affirmed compliance with the code of conduct for FY 2016-17. A declaration to this effect signed by the Managing Director of the Company is attached to the Corporate Governance Report.

The Managing Director and Chief Financial Officer have certified to the Board with regard to the financial statements and other matters as specified in the SEBI (LODR) Regulations, 2015 is attached to the Corporate Governance Report.

COMPLIANCE WITH RBI GUIDELINES

The Company is registered with the Reserve Bank of India as a NBFC within the provisions of the NBFC (Reserve Bank of India) Directions, 1998. The Company continues to comply with all the requirements prescribed by the Reserve Bank of India as applicable to it.



SHARES

a. BUY BACK OF SECURITIES

The Company has not bought back any of its securities during the year under review.

b. SWEAT EQUITY

The Company has not issued any Sweat Equity Shares during the year under review.

c. BONUS SHARES

The Company has not issued any Bonus Equity Shares during the year under review.

d. EMPLOYEES STOCK OPTION PLAN

The Company has not provided any Stock Option Scheme to the employees.

ACKNOWLEDGEMENTS

Your Directors place on record their sincere thanks to bankers, business associates, consultants, and various Government Authorities for their continued support extended to your Companies activities during the year under review. Your Directors acknowledges gratefully the shareholders for their support and confidence reposed on your Company.

And your Directors would also like to take this opportunity to express their appreciation for the dedicated efforts of the employees of the Company.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Place : New Delhi

Date : 12.08.2017

(RAJ KUMAR MODI)
(Chairman-Managing Director)
DIN- 01274171
14/5, Old Rajinder Nagar
New Delhi - 110060



**Annexure - I
FORM NO. AOC -2**

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

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

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

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

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

| SL. No. | Name (s) of the related party & nature of relationship | Nature of contracts/ arrangements/ transaction | Duration of the contracts/ arrangements/ transaction | Salient terms of the contracts or arrangements or transaction including the value, if any | Date of approval by the Board | Amount paid as advances, if any |
|---------|--|--|---|---|-------------------------------|---------------------------------|
| 1. | Rekha Modi (Shareholder-Promoter & Director) | Rent for office premises | Agreement dated 01st April, 2011 as amended on 01st September, 2015 which is ongoing. | As per the Agreement. | 25.08.2015 | Nil |



Annexure - II To Directors Reports
Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2017
[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
PMC Fincorp Limited,
(CIN: L27109UP1985PLC006998)
Regd. Office: B-10, VIP Colony,
Civil Lines, Rampur, Uttar Pradesh-244901

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

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

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2017 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 **(Not Applicable to the Company during the Audit Period)**;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 **(Not Applicable to the Company during the Audit Period)**;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **(Not Applicable to the Company during the Audit Period)**;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; **(Not applicable to the Company during the audit period)**



- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (**Not Applicable to the Company during the Audit Period**); and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (**Not Applicable to the Company during the Audit Period**).
- (vi) Other Laws applicable specifically to the Company, namely:
 - (a) Reserve Bank of India Act, 1934 and Rules, Regulations and Guidelines issued by the Reserve Bank of India
 - (b) Payment of Bonus Act, 1965;
 - (c) Payment of Gratuity Act, 1972;
 - (d) Payment of Wages Act, 1936;
 - (e) Minimum Wages Act, 1948;
 - (f) Employees Provident Fund and Miscellaneous Provisions Act, 1952 ;
 - (g) Maternity Benefit Act, 1961;
 - (h) Indian Stamp Act, 1899;

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India and
- (ii) The Listing Agreement entered into by the Company with Bombay Stock Exchange read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review and based on the information, explanations and management representation, the company has substantially complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observation:

1. ***The Company has not filed Form MGT-14 with the Registrar of Companies in respect of the appointment of internal auditor and Secretarial auditor and for approval of the Board's report as required under the provisions of Companies Act, 2013. The company is in the process of filing the same.***

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

Adequate notice is given to all the directors to schedule the Board Meetings at least seven days in advance, agenda was sent in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Decisions at the Board Meetings were taken unanimously.

Based on the compliance mechanism established by the company and on the basis of Statutory Compliance Certificate(s) issued by the Company Secretary and taken on record by the Board of Directors at their meeting(s), we are of the opinion that the management has adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period, the Company has no specific event/ actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

Place: New Delhi
Date : 12.08.2017

(Ashu Gupta)
Company Secretary in Practice
FCS No.:4123
CPNo.:6646

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



To,

The Members,
PMC Fincorp Limited,
(CIN: L27109UP1985PLC006998)
Regd. Office: B-10, VIP Colony,
Civil Lines, Rampur, Uttar Pradesh-244901

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

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

Place : New Delhi
Date : 12.08.2017

(Ashu Gupta)
Company Secretary in Practice
FCS No.:4123
CP No.: 6646



Annexure - III To Directors Reports

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

AS ON FINANCIAL YEAR ENDED ON 31.03.2017

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

I REGISTRATION & OTHER DETAILS :

| | | |
|-----|--|--|
| i | CIN | L27109UP1985PLC006998 |
| ii | Registration Date | 04-02-1985 |
| iii | Name of the Company | PMC FINCORP LIMITED |
| iv | Category/Sub-category of the Company | COMPANY LIMITED BY SHARES |
| v | Address of the Registered office & Contact details | B-10, VIP COLONY, CIVIL LINES, RAMPUR-244901, UTTAR PRADESH |
| vi | Whether Listed Company | BSE LIMITED |
| vii | Name, Address & contact details of the Registrar & Transfer Agent, if any. | INDUS PORTFOLIO PRIVATE LIMITED G-65, BALI NAGAR, NEW DELHI-110005 PHONE: 011 - 47671214 EMAIL ID: cs.anamika@indusinvest.com |

II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

Company is engaged in to the activity of financing and registered as a Non Banking Financial Company with the Reserve Bank of India.

III PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES

| Sl. No. | Name & Address of the Company | CIN/GLN | Holding/Subsidiary/ Associates | % of Shares held | Applicable Section |
|---------|-------------------------------|---------|--------------------------------|------------------|--------------------|
| N.A. | | | | | |

IV SHAREHOLDING PATTERN (Equity Share Capital Breakup as % to total Equity)

| Category of Shareholders | No. of Shares held at the beginning of the year 01.04.2016 | | | | No. of Shares held at the end of the year 31.03.2017 | | | | % change during the year |
|---------------------------------|--|----------|-----------------|-------------------|--|----------|-----------------|-------------------|--------------------------|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| A. Promoters | | | | | | | | | |
| (1) Indian | | | | | | | | | |
| a) Individual/HUF | 7314300 | — | 7314300 | 3.01 | 14628600 | — | 14628600 | 3.01 | — |
| b) Central Govt. or State Govt. | — | — | — | — | — | — | — | — | — |
| c) Bodies Corporates | 33068500 | — | 33068500 | 13.59 | 66137000 | — | 66137000 | 13.59 | — |
| d) Bank/FI | — | — | — | — | — | — | — | — | — |
| e) Any other | — | — | — | — | — | — | — | — | — |
| SUB TOTAL:(A) (1) | 40382800 | — | 40382800 | 16.60 | 80765600 | — | 80765600 | 16.60 | — |



| Category of Shareholders | No. of Shares held at the beginning of the year 01.04.2016 | | | | No. of Shares held at the end of the year 31.03.2017 | | | | % change during the year |
|---|--|----------------|------------------|-------------------|--|----------------|------------------|-------------------|--------------------------|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| (2) Foreign | | | | | | | | | |
| a) NRI- Individuals | — | — | — | — | — | — | — | — | — |
| b) Other Individuals | — | — | — | — | — | — | — | — | — |
| c) Bodies Corp. | — | — | — | — | — | — | — | — | — |
| d) Banks/FI | — | — | — | — | — | — | — | — | — |
| e) Any other | — | — | — | — | — | — | — | — | — |
| SUB TOTAL (A) (2) | — | — | — | — | — | — | — | — | — |
| Total Shareholding of Promoter (A)= (A)(1)+(A)(2)" | 40382800 | — | 40382800 | 16.60 | 80765600 | — | 80765600 | 16.60 | — |
| B. PUBLIC SHAREHOLDING | | | | | | | | | |
| (1) Institutions | | | | | | | | | |
| a) Mutual Funds | — | — | — | — | — | — | — | — | — |
| b) Banks/FI | — | — | — | — | — | — | — | — | — |
| C) Cenntal govt | — | — | — | — | — | — | — | — | — |
| d) State Govt. | — | — | — | — | — | — | — | — | — |
| e) Venture Capital Fund | — | — | — | — | — | — | — | — | — |
| f) Insurance Companies | — | — | — | — | — | — | — | — | — |
| g) Foreign Institutional Investors | — | — | — | — | — | — | — | — | — |
| h) Foreign Venture Capital Funds | — | — | — | — | — | — | — | — | — |
| i) Others (specify) | — | — | — | — | — | — | — | — | — |
| SUB TOTAL (B)(1): | — | — | — | — | — | — | — | — | — |
| (2) Non Institutions | | | | | | | | | |
| a) Bodies corporates | 18725311 | — | 18725311 | 3.85 | 13568390 | — | 13568390 | 2.79 | -1.06 |
| i) Indian | — | — | — | — | — | — | — | — | — |
| ii) Overseas | — | — | — | — | — | — | — | — | — |
| b) Individuals | — | — | — | — | — | — | — | — | — |
| i) Individual shareholders holding nominal share capital upto Rs. 1 lakhs | 209282880 | 1938600 | 211221480 | 43.41 | 213296115 | 1938600 | 215234715 | 44.24 | 0.83 |
| ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 lakhs | 135482889 | 3240000 | 138722889 | 28.51 | 137806072 | 3240000 | 141046072 | 28.99 | 0.48 |
| c) Others-NRI | 26042753 | — | 26042753 | 5.35 | 26601679 | — | 26601679 | 5.47 | 0.12 |
| (c-i) Clearing Member | 2778487 | — | 2778487 | 0.57 | 2137660 | — | 2137660 | 0.44 | -0.13 |
| (c-ii) Clearing House | 8304680 | — | 8304680 | 1.71 | 7207084 | — | 7207084 | 1.48 | -0.23 |
| (c-iii) Trust | — | — | — | — | — | — | — | — | — |
| SUB TOTAL (B)(2): | 400617000 | 5178600 | 405795600 | 83.40 | 400617000 | 5178600 | 405795600 | 83.40 | — |
| Total Public Shareholding (B)= (B)(1)+(B)(2) | 400617000 | 5178600 | 405795600 | 83.40 | 400617000 | 5178600 | 405795600 | 83.40 | — |
| C. Shares held by Custodian for GDRs & ADRs | — | — | — | — | — | — | — | — | — |
| Grand Total (A+B+C) | 481382600 | 5178600 | 486561200 | 100.00 | 481382600 | 5178600 | 486561200 | 100.00 | — |



(ii) SHARE HOLDING OF PROMOTERS

| Sl No. | Shareholders Name | Shareholding at the beginning of the year | | | Shareholding at the end of the year | | | % change in share holding during the year |
|--------|--------------------------------------|---|----------------------------------|--|-------------------------------------|----------------------------------|--|---|
| | | No of shares | % of total shares of the company | % of shares pledged encumbered to total shares | No of shares | % of total shares of the company | % of shares pledged encumbered to total shares | |
| 1 | RRP Management Services (P) Ltd. | 33631000 | 6.91 | — | 33631000 | 6.91 | — | 0.00 |
| 2 | Prabhat Management Services (P) Ltd. | 32506000 | 6.68 | — | 32506000 | 6.68 | — | 0.00 |
| 3 | Rekha Modi | 8640000 | 1.78 | — | 8640000 | 1.78 | — | 0.00 |
| 4 | Gouri Shanker Modi | 2208600 | 0.46 | — | 2208600 | 0.46 | — | 0.00 |
| 5 | Raj Kumar Modi | 1620000 | 0.33 | — | 1620000 | 0.33 | — | 0.00 |
| 6 | Puspa Devi Modi | 1620000 | 0.33 | — | 1620000 | 0.33 | — | 0.00 |
| 7 | Raj Kumar Modi HUF | 540000 | 0.11 | — | 540000 | 0.11 | — | 0.00 |
| | Total | 80765600 | 16.60 | — | 80765600 | 16.60 | — | 0.00 |

(iii) CHANGE IN PROMOTERS' SHAREHOLDING (Specify if there is no change)

| Sl. No. | | Share holding at the beginning of the Year | | Cumulative Share holding during the year | |
|---------|---|--|----------------------------------|--|----------------------------------|
| | | No. of Shares | % of total shares of the company | No of shares | % of total shares of the company |
| 1 | RRP Management Services P Ltd. | | | | |
| | At the beginning of the year | 33631000 | 6.91 | 33631000 | 6.91 |
| | Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease. | — | — | — | — |
| | At the end of the year | 33631000 | 6.91 | 33631000 | 6.91 |
| 2 | Prabhat Management Services P Ltd. | | | | |
| | At the beginning of the year | 32506000 | 6.68 | 32506000 | 6.68 |
| | Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease. | — | — | — | — |
| | At the end of the year | 32506000 | 6.68 | 32506000 | 6.68 |
| 3 | Rekha Modi | | | | |
| | At the beginning of the year | 8640000 | 1.78 | 8640000 | 1.78 |
| | Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease. | — | — | — | — |
| | At the end of the year | 8640000 | 1.78 | 8640000 | 1.78 |
| 4 | Gauri Shanker Modi | | | | |
| | At the beginning of the year | 2208600 | 0.46 | 2208600 | 0.46 |
| | Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease. | — | — | — | — |
| | At the end of the year | 2208600 | 0.46 | 2208600 | 0.46 |



| Sl. No. | | Share holding at the beginning of the Year | | Cumulative Share holding during the year | |
|---------|---|--|----------------------------------|--|----------------------------------|
| | | No. of Shares | % of total shares of the company | No of shares | % of total shares of the company |
| 5 | Raj Kumar Modi | | | | |
| | At the beginning of the year | 1620000 | 0.33 | 1620000 | 0.33 |
| | Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease. | — | — | — | — |
| | At the end of the year | 1620000 | 0.33 | 1620000 | 0.33 |
| 6 | Pushpa Devi Modi | | | | |
| | At the beginning of the year | 1620000 | 0.33 | 1620000 | 0.33 |
| | Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease. | — | — | — | — |
| | At the end of the year | 1620000 | 0.33 | 1620000 | 0.33 |
| 7 | Raj Kumar Modi HUF | | | | |
| | At the beginning of the year | 540000 | 0.11 | 540000 | 0.11 |
| | Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease. | — | — | — | — |
| | At the end of the year | 540000 | 0.11 | 540000 | 0.11 |

(iv) Shareholding Pattern of top ten Shareholders (Other than Directors, Promoters & Holders of GDRs & ADRs)

| Sl. No. | | Share holding at the beginning of the Year | | Cumulative Share holding during the year | |
|---------|----------------------------------|--|----------------------------------|--|----------------------------------|
| | | No. of Shares | % of Total Shares of the Company | No of Shares | % of Total Shares of the Company |
| 1 | RAJESH DHASAYYAN | 5618110 | 1.15 | 6337035 | 1.30 |
| 2 | SUMAN CHATTERJI | 4520093 | 0.93 | 4520093 | 0.93 |
| 3 | MANOJ V | 598406 | 0.12 | 3999707 | 0.82 |
| 4 | KARVY STOCK BROKING LIMITED | 3672958 | 0.75 | 3691128 | 0.76 |
| 5 | RUSHIN KIRIT ASHER | 2100000 | 0.43 | 3032520 | 0.62 |
| 6 | SATISH DATTATRAYA KADAM | 1095509 | 0.23 | 2800000 | 0.58 |
| 7 | SHRI PARASRAM HOLDINGS PVT. LTD. | 3337518 | 0.69 | 2739278 | 0.56 |
| 8 | DEVANG VERUGAMWALA | 1817702 | 0.37 | 2600000 | 0.53 |
| 9 | SHOBHANABEN DEVANGKUMAR | 1891989 | 0.39 | 2600000 | 0.53 |
| 10 | DEBADATTA PATTANAİK | 1754333 | 0.36 | 2421000 | 0.50 |



(v) Shareholding of Directors and Key Managerial Personnel:

| Sl. No. | | Share holding at the beginning of the Year | | Cumulative Share holding during the year | |
|----------|---|--|----------------------------------|--|----------------------------------|
| | | No. of Shares | % of total shares of the company | No of shares | % of total shares of the company |
| 1 | Mr. Raj Kumar Modi | | | | |
| | At the beginning of the year | 1620000 | 0.33 | 1620000 | 0.33 |
| | Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease. | — | — | — | — |
| | At the end of the year | 1620000 | 0.33 | 1620000 | 0.33 |
| 2 | Mrs. Rekha Modi | | | | |
| | At the beginning of the year | 8640000 | 1.78 | 8640000 | 1.78 |
| | Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease. | — | — | — | — |
| | At the end of the year | 8640000 | 1.78 | 8640000 | 1.78 |

V INDEBTEDNESS

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

| | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|--|----------------------------------|-------------------|----------|--------------------|
| Indebtness at the beginning of the financial year | | | | |
| i) Principal Amount | — | 569483762 | — | 569483762 |
| ii) Interest due but not paid | — | — | — | — |
| iii) Interest accrued but not due | — | 22880552 | — | 22880552 |
| Total (i+ii+iii) | — | 592364314 | — | 592364314 |
| Change in Indebtedness during the financial year | | | | |
| Additions | — | 397702516 | — | 397702516 |
| Reduction | — | 460660853 | — | 460660853 |
| Net Change | — | (62958337) | — | (62958337) |
| Indebtedness at the end of the financial year | | | | |
| i) Principal Amount | — | 506525425 | — | 506525425 |
| ii) Interest due but not paid | — | — | — | — |
| iii) Interest accrued but not due | — | 35301258 | — | 35301258 |
| Total (i+ii+iii) | — | 541826683 | — | 541826683 |

**VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL****A. Remuneration to Managing Director, Whole time director and/or Manager:**

| Sl. No | Particulars of Remuneration | Name of the MD/WTD/Manager | Total Amount |
|--------|--|----------------------------|------------------|
| 1 | Gross salary | Mr. R. K. Modi | |
| | (a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961. | 24,00,000 | 24,00,000 |
| | (b) Value of perquisites u/s 17(2) of the Income tax Act, 1961 | — | — |
| | (c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961 | — | — |
| 2 | Stock option | — | — |
| 3 | Sweat Equity | — | — |
| 4 | Commission - as % of profit - others (specify) | — — | — — |
| 5 | Others, please specify | — | — |
| | Total (A) | 24,00,000 | 24,00,000 |
| | Ceiling as per the Act | — | — |

B. Remuneration to other directors:

| Sl. No | Particulars of Remuneration | Name of the Directors | | Total Amount |
|--------|--|-----------------------|---------------------|------------------|
| 1 | Independent Directors | V. B. Aggarwal | Pramod Gupta | |
| | (a) Fee for attending board committee meetings | 62,500 | 62,500 | 1,25,000 |
| | (b) Commission | — | — | — |
| | (c) Others, please specify | — | — | — |
| | Total (1) | — | — | — |
| 2 | Other Non Executive Directors | Rekha Modi | | |
| | (a) Fee for attending board committee meetings | — | — | |
| | (b) Commission | — | — | |
| | (c) Others, please specify | — | — | |
| | Total (2) | — | — | |
| | Total (B)=(1+2) | 62,500 | 62,500 | 1,25,000 |
| | Total Managerial Remuneration (A+B) | | | 25,25,000 |
| | Overall Ceiling as per the Act. | — | — | — |



C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

| SI. No. | Particulars of Remuneration | Key Managerial Personnel | | | Total |
|---------|--|--------------------------|-------------------|-----------------|-----------------|
| | | CEO | Company Secretary | CFO | |
| 1 | Gross Salary | | | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961. | — | 3,05,372 | 2,16,000 | 5,21,372 |
| | (b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961 | — | — | — | — |
| | (c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961 | — | — | — | — |
| 2 | Stock Option | — | — | — | — |
| 3 | Sweat Equity | — | — | — | — |
| 4 | Commission | | | | |
| | - as % of profit | — | — | — | — |
| | - others, specify | — | — | — | — |
| 5 | Others, please specify | — | — | — | — |
| | Total | — | 3,05,372 | 2,16,000 | 5,21,372 |

VII PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

| Type | Section of the Companies Act | Brief Description | Details of Penalty/ Punishment/ Compounding fees imposed | Authority (RD/NCLT/ Court) details) | Appeal made if any (give |
|-------------------------------------|------------------------------|-------------------|--|-------------------------------------|--------------------------|
| A. COMPANY | | | | | |
| Penalty | — | — | — | — | — |
| Punishment | — | — | — | — | — |
| Compounding | — | — | — | — | — |
| B. DIRECTORS | | | | | |
| Penalty | — | — | — | — | — |
| Punishment | — | — | — | — | — |
| Compounding | — | — | — | — | — |
| C. OTHER OFFICERS IN DEFAULT | | | | | |
| Penalty | — | — | — | — | — |
| Punishment | — | — | — | — | — |
| Compounding | — | — | — | — | — |



MANAGEMENT DISCUSSION & ANALYSIS REPORT

BUSINESS & FINANCIAL PERFORMANCE

The Company being a registered NBFC with the Reserve Bank of India has been engaged in the business of financing activities, investment in Securities of Listed and Unlisted Companies and fee based advisory services in the field of Money market.

Further considering the pressure in Real estate market over last few years, the company is looking great opportunities in the field and initiated some investments in real estate as well during the year.

For FY 2016-17 on a standalone basis, the Company's profit after tax stood at ₹72.17 Lakhs as against ₹89.55 Lakhs in the PY.

Your Company as in the last few years continues to evaluate investment opportunities in asset based transactions with good growth prospects.

ECONOMIC & INDUSTRY OVERVIEW

The year 2016-17 saw rapid technological innovation, macroeconomic changes, fast changing business conditions, evolving consumer preferences and increasingly disruptive market environment that drove corporations to significantly rethink the manner in which they operate. India continued to witness steady economic growth despite a volatile internal and weak external environment. Decline in commodity prices, low fiscal deficit, depreciation of the rupee vis-a-vis the dollar and the demonetization exercise all resulted in disruption in the rural as well urban market conditions.

The Wholesale Price Index inflation inched up to 6.55% for the month ending February, on the back of the quick surge in economy in the remonetisation phase. Overall GDP growth in the fiscal settled at around 7.6%, driven by the industry and services sector. Structural shifts in inflation are due to lower oil prices, deceleration in agriculture prices & wages and improved household consumption. Revenue deficit and fiscal deficit targets for the next fiscal have been reduced to 2.1% and 3.2% of the GDP respectively, outlining the Government's intent to spend well within its means. The Government took steps to develop functional autonomy for the Railways by stopping the British era practice of announcing a separate Rail budget. The merger of Railways Budget with General Budget brings focus on a multi-modal approach for development of railways, highways and inland water transport.

Current account deficit (CAD) declined from 1% to 0.3% in the first half of the last fiscal. Foreign exchange reserves increased to \$361 billion in January, and are now large enough to cover 12-month's needs. However, the uncertainty around commodity prices especially oil is likely to have an impact of Government's finances in case of a rapid spike in oil prices.

The focus on incoming FDI and landmark policies like labour reforms, GST, Aadhaar based targeted subsidy is likely to fuel inclusive growth. The recent demonetization exercise resulting in brief but nationwide lull in the trading and business environment up till the middle of January. This led to a spurt in non-cash business transactions involving banks, credit & debit cards and payment wallets, amongst others. However, following the remonetisation, business has picked up faster than expected. The spurt in non-cash transactions, both business and retail, resulted in higher tax collections for both direct & indirect taxes benefiting the Government's fiscal agenda of containing the annual fiscal deficit defined within the budget.

The vision of the Central Government is likely to fuel inclusive growth. The same is apparent from industry wide appreciation for GST, which is rolled out from July 1, this year, and is being touted as the single biggest economic reform in the history of independent India. While, the initial taxation hiccups are likely in terms of compliance laws, business education and technological system upgradation, the mid to long term growth is likely to outdo any short term negative effects.



On account of the recent budget, the move to advance the budget date to early February was appreciated by the industry and public alike. The latest budget was a good mix of policies, with a larger focus on the rural populace by shifting the direction towards agricultural spending and rural industry. The income tax cut is also likely to augur well to lift the spending power of the middle class, which is likely to work well to help the economy bounce back from the demonetization phase. Along with an increased allocation for rural, agri and allied sectors by 24%, the thrust to agriculture, infrastructure, manufacturing, GST, black money, rural incomes and rural entrepreneurship, micro irrigation, and Government plans like the Antodya Scheme, MNREGA, mini labs in Krishi Vigyan Kendras, agricultural credit, Pradhan Mantri Gram Sadak Yojana, dairy processing fund, PM Kaushal Kendras shall directly boost the socio-economic environment.

(Data Source: RBI, MoF, CSO and Industry reports)

INDUSTRY STRUCTURE AND DEVELOPMENTS

The NBFCs saw moderation in rate of asset growth, rising delinquencies resulting in higher provisioning thereby impacting profitability. However, comfortable capitalisation levels and conservative liquidity management, continues to provide comfort to the credit profile of well run NBFCs inspite of the impact on profitability. NBFCs are likely to see an uptick in bad loans as they migrate towards tighter non-performing asset (NPA) recognition norms.

RBI has amended its KYC regulations to allow NBFCs, to open new accounts using one time pins (OTP), based on Aadhaar authentication on mobile to complete KYC procedure electronically.

Some of the key budget proposals are:

- ❖ Consideration in the form of interest and discounts to be included as exempt services for computation of CENVAT credit liable for reversal in case of banks, financial institutions and NBFCs.
- ❖ Systemically important NBFCs RBI regulated and above a certain net worth, to be categorised as QIBs and can participate in IPOs with specifically earmarked allocations.

(Data Source: RBI, MoF, CSO and Industry reports)

OPPORTUNITIES

Structural changes in the financial services sector have created new opportunities for NBFCs. The success of NBFCs can be clearly attributed to their better product lines, lower cost, wider and effective reach, strong risk management capabilities to check and control bad debts, and better understanding of their customer segments. Not only have they shown success in their traditional bastions (passenger and commercial vehicle finance) but they have also managed to build substantial assets under management (AUM) in the personal loan and housing finance sector. Going forward, the latent credit demand of an emerging India will allow NBFCs to fill the gap, especially where traditional banks have been wary to serve. Improving macroeconomic conditions, higher credit penetration, increased consumption and disruptive digital trends will allow NBFC's credit to grow at a healthy rate of 7-10% (real growth rate) over the next three to five years.

THREATS

Growth of the Company's asset book, quality of assets and ability to raise funds depend significantly on the economy. Unfavourable events in the Indian economy can affect consumer sentiment and in turn impact consumer decision to purchase financial products. Competition from a broad range of financial service providers, unstable political environment and changes in Government policies / regulatory framework could impact the Company's operations.

RISK AND CONCERN

In this era of globalization the financial service sector has been integrated with the global markets and is becoming more complex and competitive with introduction of newer and complex products & transactions, stringent legislative and regulatory environment. The ability to manage risks across geographies, products, asset classes, customer segments and functional departments is of paramount importance for the hindrance-free growth of the organisation which helps in delivering superior shareholder value by achieving an appropriate tradeoff between risks and returns.



Risk is inevitable in business and there are various risks associated with your Company as well like portfolio risk, industry risk, credit risk, internal control risk, technology risk, regulatory risk, human resources risk and competition risk. The Company's focus of risk management is all about risk reduction and avoidance. It has comprehensive integrated risk management framework that comprise of clear understanding of the Company's strategies, policies, initiatives, norms, reporting and control at various levels. Timely and effective risk management is of prime importance to our continued success. The risk for the Company arises mainly out of the risks associated with the operations we carry. Experienced professionals review and monitor risks in our Company. We have comprehensive risk management policies and processes to mitigate the risks that are encountered in conducting business activities. The management also periodically reviews the policies and procedures and formulates plans for control of identified risks and improvements in the systems.

A risk/compliance update report is regularly placed before the Audit Committee/Board of Directors of the Company. The Directors/Audit Committee review the risk/ compliance update reports and the course of action taken or to be taken, to mitigate and manage the risks is taken.

HUMAN RESOURCES

The Company depends on the services of its management team and employees. Its inability to recruit and retain them may adversely affect its business.

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

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

INTERNAL CONTROL AND THEIR ADEQUACY

To remain competitive, NBFCs are undertaking product and geographical expansion, which introduce new risks and challenge imposed by rapid growth. As Non Banking Finance Companies (NBFCs) grow and operate as regulated financial intermediaries, internal control becomes essential to long-term institutional viability. The number and types of stakeholders concerned with the NBFC's financial well-being increases; board members want to protect their reputations and fulfil their obligations; investors are interested in preserving capital; borrowers are concerned with continuous access to loans; depositors want to ensure the safety of their savings; and regulators want to protect the financial environment and depositor's interests. An effective system of internal control allows the NBFCs to assume additional risks in a calculated manner while minimizing financial surprises and protecting itself from significant financial loss. Thus, internal control is an integral component of risk management. The Internal control checks and internal audit programmes adopted by our Company plays an important role in the risk management feedback loop, in which the information generated in the internal control process is reported back to the Board and Management. The internal control systems are modified continuously to meet the dynamic changes in the business condition and to comply with applicable laws, regulations, statutory and accounting requirements. The Audit Committee of the Board of Directors, Statutory Auditors and the Business Heads are periodically apprised of the internal audit findings and the corrective actions taken. The Company has engaged a competent firm of Chartered Accountants to conduct internal audit, examine and evaluate the adequacy and effectiveness of the Internal Control System. The internal audit ensures that the systems designed and implemented, provides adequate internal control commensurate with the size and operations of the Company. The Audit Committee of the Board of Directors actively reviews the adequacy and effectiveness of internal controls systems and suggests improvements for strengthening them. The Company has a strong Management Information System which is an integral part of the control mechanism.

**OUTLOOK - 2017-18**

NBFCs have emerged as substantial contributors to the country's economic growth by having access to certain deposit segments and catering to the specialised credit requirements of certain classes of borrowers. Going forward, the government's initiatives like 'Make in India', 'Start up India' and 'Digital India' are expected to bolster development in India.

For a large and diverse country like India, ensuring financial access to fuel development and entrepreneurship is critical. With the launch of government-backed schemes (such as the Pradhan Mantri Jan-Dhan Yojana [PMJDY]), there has been a substantial increase in the number of bank accounts. As traditional banks are already under stress; NBFCs would be of vital importance and can fill the necessary credit demand gap. Therefore, the NBFCs need to be well integrated into the financial system to cater to the growing requirements of the economy. Additionally, the Indian consumer is aggressively adopting digital technology in his/her daily life. Thus, NBFCs need to rethink on their strategies to enhance their product portfolio, processes and customer experience. Besides, they also need to leverage on digital data for better credit decisions (based on analytics) and social media to serve customers better

CAUTIONARY STATEMENT

The Statements in this Management Discussion and Analysis Report describing the Company's objectives, projections, estimates and expectations may be forward looking statements within the meaning of applicable laws and regulations. Actual results might differ materially from those expressed or implied. The Company is not under any obligation to publicly amend, modify or revise any forward looking statements on the basis of any subsequent developments, information or events.



ANNEXURE-IV TO DIRECTORS' REPORT
REPORT ON CORPORATE GOVERNANCE

This Corporate Governance Report relating to the year ended on 31st March, 2017 has been issued in compliance with the applicable provisions of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 and forms a part of the Report of the Directors to the members of the Company.

I. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

PMC Fincorp Limited (PMC "The Company") follows the highest standards of governance and disclosure. The Company firmly believes that adherence to business ethics and sincere commitment to corporate governance will help the Company to achieve its vision of being the most respected company in the financial services space in India. Since inception, the promoters have demonstrated exemplary track record of governance and utmost integrity. The Company is in compliance with the requirements of the guidelines on corporate governance stipulated under clause 49 of the Listing Agreement and SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015. With the implementation of stringent employee code of conduct policy and adoption of Whistle Blower Policy, the Company has moved ahead in its pursuit of excellence in Corporate Governance.

The Board of Directors fully supports and endorses corporate governance practices as enunciated in Clause 49 of the Listing Agreement and SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015.

II. 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, 2017 and out of which the 2 are Non-Executive independent Directors. The Chairman of the Board is an Executive Director and the minimum requirement of one half of the Board consisting of independent director is duly complied with. The Composition of the Board is in conformity with Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI (LODR) Regulations, 2015").

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, Seventh (7) meetings of the board were held on 2nd April, 2016, 30th May, 2016, 13th August, 2016, 26th August, 2016, 14th November, 2016, 20th January, 2017 and 14th February, 2017. 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. Necessary quorum was present for all meetings. The independent directors have confirmed that they satisfy the 'criteria of independence' as stipulated in Regulation 16(2) of the SEBI (LODR) Regulations, 2015. The independent directors have confirmed that they satisfy the 'criteria of independence' as stipulated in Regulation 16(2) of the SEBI (LODR) Regulations, 2015.

Particulars of Directors, their attendance at the Annual General Meeting and Board Meetings mentioned hereinabove held during the Financial year 2016-17 and also their other Directorships held in Public Companies (excluding Foreign Companies and Section 8 Companies) and Membership of other Board Committees as at March 31, 2017 are as under.

| Name of the Directors | Category Membership | Attendance Particulars | |
|-----------------------------------|--------------------------|------------------------|----------|
| | | Board Meeting | Last AGM |
| Sh. Raj Kumar Modi (DIN:01274171) | Managing Director | 7 | Yes |
| Mrs. Rekha Modi (DIN:01274200) | Director (Non-Executive) | 7 | Yes |
| Sh. Pramod Gupta (DIN:03174350) | Director (Independent) | 7 | Yes |
| Sh. V. B. Aggarwal (DIN:02852498) | Director (Independent) | 7 | Yes |



| 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 22 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 | 1620000 | 8640000 | NIL | NIL |
| Number of Directorships held in Public Limited Companies | 1 | NIL | NIL | NIL |
| List of Committees of the Board of Directors (across all companies) in which Chairmanship / Membership | 3 | 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, Nomination & Remuneration Committee and Stakeholder Relationship Committee of only public Companies have been included in the aforesaid table.



Membership on other Boards

Independent Directors are expected not to serve on the Boards of competing Companies. None of the Directors on the Board are Members of more than ten Committees or Chairman of more than five committees across all the companies in which they are Directors. Every Director informs the Company about the Committee positions he/she occupies in other companies and notifies the changes as and when takes place.

Board Evaluation

Pursuant to the provisions of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015, the Board has carried out the annual performance evaluation of its own performance, the Directors individually and the Committees viz., Audit, Nomination & Remuneration, Stakeholders Relationship and Risk Management Committee. A structured questionnaire was prepared after taking into consideration the inputs received from the Directors covering various aspects such as attendance, quality contributions to Board deliberations, providing perspectives and feedback going beyond the information provided by the management, commitment to shareholder and other stakeholders interests etc.

A separate exercise was carried out to evaluate the performance of individual directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgement, safeguarding the interests of the Company and its minority shareholders etc. The performance evaluation of Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors at their meeting held separately on 14th February, 2017, in compliance with the provisions of the Companies Act, 2013 and Regulation 25 SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015.

Board Committees

The Board has constituted Committees consisting of Executive and Non-Executive Directors to ensure focused attention on various facets of business and for better accountability. Pursuant to the Companies Act, 2013 and SEBI (LODR) Regulations, 2015, as on March 31, 2017 the Company has the following Committees:

1. Audit Committee
2. Nomination & Remuneration Committee
3. Stakeholders Relationship Committee

Each of the above Committees has been mandated to operate within a given framework. The Company Secretary acts as Secretary to all the Committees. The Minutes of the proceedings of the Committee Meetings are circulated to the Directors and noted at the Board Meeting.

III. Audit Committee

A. Composition, Meetings and Attendance of the Audit Committee during the year:

The Audit Committee of the Company is constituted in line with the provisions of Section 177 of the Companies Act, 2013 read with Regulation 18 of the SEBI (LODR) Regulations, 2015. As on March 31, 2017, the Audit Committee of the Board comprises three members viz., Mr. V B Aggarwal, Mr. Pramod Gupta and Mrs. Rekha Modi, Independent Directors. Mr. V.B. Aggarwal was elected as the Chairman of the Committee. The Company Secretary acts as the Secretary of the Committee.

During the financial year 2016-17, meetings of the Audit Committee were held 4 (Four) times i.e. on May 30, 2016, August 13, 2016, November 14, 2016 and February 14, 2017 and the maximum gap between the two Audit Committee Meetings did not exceed one hundred and twenty days. The necessary quorum was present for all the meetings.



The composition of the Audit Committee and particulars of meetings held and attended by the members of the Audit Committee are given below:

| Name of Directors | Category | Meetings held | Meeting Attended |
|--------------------|-------------------------------------|---------------|------------------|
| Sh. V. B. Aggarwal | Independent Director | 4 | 4 |
| Sh. Pramod Gupta | Independent Director | 4 | 4 |
| Mrs. Rekha Modi | Non-Executive Director ⁴ | 4 | 4 |

B. Terms of reference of Audit Committee:

The Terms of reference of the Committee are given below:

Terms of Reference

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013
 - b. Changes, if any, in accounting policies and practices and reasons for the same
 - c. Major accounting entries involving estimates based on the exercise of judgment by management
 - d. Significant adjustments made in the financial statements arising out of audit findings
 - e. Compliance with listing and other legal requirements relating to financial statements
 - f. Disclosure of any related party transactions
 - g. Modified opinion(s) 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, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document /prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the company, wherever it is necessary and appointment of valuers;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;



14. Discussion with internal auditors of any significant findings and follow up there on;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. To review the functioning of the Whistle Blower mechanism;
19. Oversee the vigil mechanism established for directors and employees - [Section 177(10) read with rule 7(2) Companies (Meetings of Board and its Powers) Rules, 2014].
20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

The scope of the Audit Committee also includes matters which are set out in SEBI (LODR) Regulations, 2015 read with Section 177 of the Companies Act, 2013 and the rules made thereunder, as amended from time to time.

IV. Nomination & Remuneration Committee:

In Compliance with the provisions of Section 178 of the Companies Act, 2013 read with Regulation 19 of the SEBI (LODR) Regulations, 2015. As on March 31, 2017, the Nomination & Remuneration Committee comprises three members viz, Mr. V. B. Aggarwal, Mr. Pramod Gupta and Mrs. Rekha Modi, Independent Directors, Mr. V.B. Aggarwal was elected as the Chairman of the Committee. The Company Secretary acts as the Secretary of the Committee.

During the financial year, meeting of the Nomination & Remuneration committee was held on January 20, 2017.

The composition of the Nomination & Remuneration Committee and particulars of meetings held and attended by the members of the Nomination & Remuneration Committee are given below:

| Name of Directors | Category | Meetings held | Meeting Attended |
|--------------------|------------------------|---------------|------------------|
| Sh. V. B. Aggarwal | Independent Director | 1 | 1 |
| Sh. Pramod Gupta | Independent Director | 1 | 1 |
| Mrs. Rekha Modi | Non-Executive Director | 1 | 1 |

Terms of Reference

The role of the Nomination and Remuneration Committee shall, inter-alia, include the following:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
2. Identify persons who are qualified to become directors and who may be appointed in senior management in accordance with criteria laid down and recommend to the board their appointment, removal and shall carry out evaluation of every director's performance.
3. Formulation of criteria for evaluation of Independent Directors and the Board;
4. Devising a policy on Board diversity;
5. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.



6. Determine and recommend to the Board, the remuneration payable including any revision in remuneration payable to Managing Director/Executive Directors/ Non-Executive Directors.
7. Take into consideration and ensure compliance of the provisions under Schedule V of the Companies Act, 2013 and the rules made thereunder while determining the remuneration.
8. Consider such other matters as the Board may advise the Committee.

Performance evaluation criteria for Independent Directors

A structured questionnaire was prepared after taking into consideration the inputs received from the Directors covering various aspects such as attendance, quality contributions to Board deliberations, providing perspectives and feedback going beyond the information provided by the management, commitment to shareholder and other stakeholders interests etc. The performance evaluation of Independent Directors was carried out by the entire Board.

V. Remuneration of Directors

There are no pecuniary relationship or transactions between the Company and the Non Executive Directors.

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 2017 to the Directors are as follows:

| Sl. No. | Name of the Directors | Salary | Sitting Fees | Amount in Rs. |
|---------|-----------------------|------------|--------------|---------------|
| 1. | Sh. Raj Kumar Modi | 2400000.00 | N.A. | 2400000.00 |
| 2. | Sh. V. B. Agarwal | N.A. | 62500.00 | 62500.00 |
| 3. | Sh. Pramod Gupta | N.A. | 62500.00 | 62500.00 |
| 4. | Mrs. Rekha Modi | N.A. | 0.00 | 0.00 |

The Company does not have any Employees Stock Option Scheme.

VI. Stakeholders Relationship Committee

Functions of the Committee

The role of the Stakeholders Relationship committee shall, inter-alia, include the following:

1. Dealing with the investors complaints like delay in transfers of shares, non-receipt of balance sheet, non-receipt of declared dividends/share certificates, dematerialization of shares, replacement of lost/ stolen/ mutilated share certificates, etc.
2. Investigate into investors complaints and take necessary steps for redressal thereof
3. To perform all functions relating to the interest of the stakeholders of the Company as may be required by the provisions of the Companies Act, 2013 and the rules made thereunder, Listing Agreements/SEBI (LODR) Regulations, 2015 and the guidelines issued by SEBI or any other regulatory authority.
4. Approval of the share transfers and/or delegation thereof.

Composition and the details of the Meetings of the Stakeholder Relationship Committee held and attended during the year 2016-17.

As on March 31, 2017, the Stakeholders Relationship Committee comprises Mrs. Rekha Modi and Mr. R. K. Modi.

Mrs. Rekha Modi, is the Chairman of the Committee. The composition of the Committee is as per Regulation 20 of the SEBI (LODR) Regulations, 2015. The Company Secretary acts as the Secretary of the Committee.

During the financial year 2016-17, the Committee met four times on April 02, 2016, May 30, 2016, November 11, 2016 and February 14, 2017.



The composition of the Stakeholders Relationship Committee and particulars of meetings held and attended by the members of the Committee are given below:

| Name of Directors | Category | Meetings held | Meeting Attended |
|--------------------|------------------------|---------------|------------------|
| Mrs. Rekha Modi | Non-Executive Director | 4 | 4 |
| Mr. Raj Kumar Modi | Executive Director | 4 | 4 |

Details of number of complaints received and redressed including the complaints received through SEBI's SCORES Portal during the year are given below:

| Opening Balance | Received during the financial year 2016-17 | Redressed during the Financial year 2016-17 | Closing Balance |
|-----------------|--|---|-----------------|
| Nil | Nil | Nil | Nil |

No pledge has been created over the Equity Shares held by the Promoters as on March 31, 2017.

The Name, Designation and address of Compliance Officer of the Company is as under:

| | |
|----------------------------|--|
| Name & Designation | Raj Kumar Modi Managing Director & Compliance Officer |
| Address for Correspondence | 14/5, Old Rajender Nagar, New Delhi-110060 |
| Contacts | +91-11-42436846 |

VII. General Body Meetings

A. Details of location, time and date of last three AGM are given below:-

| Financial year | Date | Time | Place |
|-----------------|------------|------------|--|
| 2013-2014 (AGM) | 27.09.2014 | 10.00 A.M. | Modipur Hotel, Bareilly Road, Rampur, (U.P.) |
| 2014-2015 (AGM) | 28.09.2015 | 03.30 P.M. | Modipur Hotel, Bareilly Road, Rampur, (U.P.) |
| 2015-2016 (AGM) | 24.09.2016 | 12.30 P.M. | ModFood Resttaurant, Opposite Ambedkar Park, Civil Lines, Rampur, (U.P.) |

Special Resolutions Passed at the Annual General Meetings:-

- Rectification of w.r.t. correct record date and lock-in period in the AGM held on 24.09.2016.
- Maintenance of Registers & Returns at the Corporate Office of the Company in the AGM held on 24.09.2016.
- Re-appointment of Mr. Vishnu Bhagwan Aggarwal as an Independent Director of the Company w.e.f. 30th April, 2015 to 29th April, 2020 in the AGM held on 28.09.2015.
- Re-appointment of Mr. Pramod Gupta as an Independent Director of the Company w.e.f. 30th April, 2015 to 29th April, 2020 in the AGM held on 28.09.2015.
- Maintenance of Registers & Returns at the Corporate Office of the Company as per Section 94 of Companies Act, 2013 in the AGM held on 28.09.2015.
- Increase in the RFPI investment limit up to 49% (forty-nine percent) of the equity share capital of the Company in the AGM held on 28.09.2015.



- Re-Appointment of Mr. Raj Kumar Modi Managing Director of the Company w.e.f. 03.11.2014 passed SR in the AGM held on 27.09.2014.
- Sub-division of every Equity Share of Rs. 5/- each in to One Equity Share of Rs. 1/- each in the AGM held on 27.09.2014.
- Approval of limit of borrowing power which shall not exceed the aggregate of Rs. 100 Crores in terms of the provisions of Section 180(1)(c) of the companies Act, 2013 in the AGM held on 27.09.2014.

B. Postal Ballot

During the financial year ended 31st March, 2017, no special resolution was passed by the Company, which required the use of postal ballot process.

C. Procedure for postal ballot

In compliance with Sections 108, 110 and other applicable provisions of the Act, read with related Rules, the Company provides electronic voting facility to all its Members, to enable them to cast their votes electronically.

The Company dispatches the postal ballot notices and forms along with postage pre-paid business reply envelopes to its Members whose names appear in the Register of Members/the List of beneficiaries as on a cut-off date. The Postal Ballot Notice is sent to members in electronic form to the email addresses registered with their depository participants (in case of electronic shareholding)/ the Company's Registrar and Transfer Agents (in case of physical shareholding). The Company also publishes a notice in the newspaper declaring the details of completion of dispatch and other requirements as mandated under the Act and the applicable Rules.

The Company engages the services of National Securities Depository Limited (NSDL) for the purpose of providing e-voting facility to all its Members. The Members have the option to vote either by physical ballot or by e-voting.

Voting rights are reckoned on the paid-up value of shares registered in names of Members as on the cut-off date. Members desiring to exercise their votes by physical postal ballot forms are requested to return the forms duly completed and signed, to the Scrutinizer on or before the end of the voting period. Members desiring to exercise their votes by electronic mode are requested to vote before close of business hours on the last day of e-voting.

The Scrutinizer submits his/her report to the Chairman, after the completion of scrutiny and the consolidated results of the voting by postal ballot are then announced by the Chairman or Director authorised by the Board. The results are also displayed on the website of the Company, www.pmcfinance.in besides being communicated to the Stock Exchanges and the Registrar and Transfer Agent.

VIII. Means of Communication

As per the statutory requirements under SEBI (LODR) Regulations, 2015

- (a) Quarterly financial results - The quarterly and annual financial results of the Company are published in 'Jansatta' (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) Under the SEBI Complaints Redress System (SCORES), the investor complaints are processed in a centralised web based complaints redress system wherein the concerned Companies can upload Action Taken Reports (ATRs) for the complaints uploaded therein and the investors can view the action taken on their complaints and its current status online.
- (e) Designated e-mail-id - The Company has designated the e-mail id viz. prtimercantile@gmail.com, in order to ensure prompt redressal of investor's requests/complaints.

IX. 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.**

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

- (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.

- (iii) The Company has complied with all the mandatory requirements on Corporate Governance as specified in SEBI (LODR) Regulations, 2015 with the Stock Exchanges. Compliance reports in the prescribed format has been submitted to the Stock Exchanges for all the quarters.
- (iv) Pursuant to Section 177(9) and (10) of the Companies Act, 2013 and Regulation 22 of the SEBI (LODR) Regulations, 2015, the Company has a Whistle-Blower Policy and Vigil Mechanism for Directors and employees to report genuine concerns regarding unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct. The said mechanism also provides for adequate safeguards against victimization of the persons who use such mechanism and makes provision for direct access to the chairperson of the Audit Committee in appropriate or exceptional cases. No employee of the Company was denied access to the Audit Committee. The said whistle blower policy and vigil mechanism has been hosted on the website of the Company at: www.pmcfinance.in.



- (v) The Company has complied with all mandatory requirements specified under SEBI (LODR) Regulations, 2015. The following non-mandatory requirements have also been complied with.

Risk Management

Your Company has a comprehensive risk management policy. Your company has laid down procedure to inform Board members about the risk assessment and minimization procedures. These procedures are periodically reviewed to ensure that executive management controls the risks through properly defined framework.

Reporting of Internal Auditor

The Internal Auditors of the Company directly report to the Audit Committee.

Modified opinion in audit report

Company's financial statements have an unmodified audit opinion.

- (vi) The Company has no subsidiaries and hence no policy on material subsidiaries has been formed.
- (vii) Weblink of the policy on dealing with material related party transactions and Policy for Determination of Materiality of Disclosures: www.pmcfinance.in.
- (viii) Weblink of the policy on Preservation of Documents and Archival Policy: www.pmcfinance.in.

(ix) Share Capital Audit

A qualified practicing Company Secretary carried out secretarial audit to reconcile the total admitted capital with National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The Share Capital audit report confirms that the total issued/paid up capital is in agreement with the total number of shares in physical form and the total number of dematerialised shares held with NSDL and CDSL. The audit is carried out every quarter and report thereon is submitted to the Stock Exchanges and is placed before the Board of Directors.

(x) Prevention of Insider Trading.

Under the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, which came into effect from May 15, 2015, the Company has formulated a Code of Conduct to regulate, monitor and report trading by insiders in the securities of the Company and a Code for Practices and Procedures for fair disclosure of unpublished price sensitive information. The Code for practices and procedures for fair disclosure of unpublished price sensitive information has been published on the Company's website: www.pmcfinance.in.

(xi) Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date and likely impact on equity

The Company did not have any outstanding GDRs/ADRs/Warrants or any Convertible instruments.

**X. GENERAL SHAREHOLDER INFORMATION**

| | |
|--|--|
| Annual General Meeting | |
| Date and Time | September 23, 2017 at 12:30 P.M. |
| Venue | MoodFood Restaurant, Opposite Ambedkar Park, Civil Lines, Rampur, Uttar Pradesh-244901 |
| Financial Calander (2017-18) (Tentative) | |
| Annual General Meeting for the next year ending 31st March, 2018 | On or before September 30, 2018 |
| Book Closure date | 16.09.17 to 23.09.17 (both days Including) |
| Dividend Payment date | not applicable |
| Listing & Fee Details | |
| The Equity Shares of the Company are listed on BSE Limited , Phiroze Jeejeephoy Towers, 25th Floor, Dalal Street, Mumbai - 400001. The Company's payment of Listing Fees is up-to-date. | |
| Stock Code | |
| BSE Limited | 534060 |
| ISIN Number (NSDL/CDSL) | Equity Shares INE793G01035 |
| Face Value of each Equity Share | ₹1/- |

Registrar and Share Transfer Agent**INDUS PORTFOLIO PVT. LIMITED**

G-65, Bali Nagar, New Delhi-110015

Phones : +91-11-47671214

Email : cs.anamika@indusinvest.comWeb site : indusinvest.com**Share Transfer Systems:**

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

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.

Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date and likely impact on equity

The Company did not have any outstanding GDRs/ADRs/Warrants or any Convertible instruments.



Market price Data

| Month | Open Price | High Price | Low Price | Close Price | No. of Shares | No. of Trades |
|--------|------------|------------|-----------|-------------|---------------|---------------|
| Apr-16 | 0.47 | 0.63 | 0.45 | 0.49 | 61220319 | 5965 |
| May-16 | 0.50 | 0.53 | 0.37 | 0.41 | 39901262 | 4240 |
| Jun-16 | 0.42 | 0.42 | 0.37 | 0.39 | 33862712 | 3323 |
| Jul-16 | 0.38 | 0.52 | 0.38 | 0.46 | 46643398 | 4116 |
| Aug-16 | 0.45 | 0.46 | 0.39 | 0.40 | 22482972 | 2336 |
| Sep-16 | 0.39 | 0.51 | 0.38 | 0.49 | 34972430 | 3030 |
| Oct-16 | 0.49 | 0.72 | 0.48 | 0.62 | 108101346 | 8513 |
| Nov-16 | 0.61 | 0.65 | 0.45 | 0.49 | 51133170 | 5245 |
| Dec-16 | 0.48 | 0.58 | 0.42 | 0.45 | 28858043 | 3991 |
| Jan-17 | 0.45 | 0.57 | 0.44 | 0.48 | 24629215 | 3218 |
| Feb-17 | 0.49 | 0.58 | 0.44 | 0.50 | 34797803 | 3692 |
| Mar-17 | 0.50 | 0.51 | 0.41 | 0.43 | 39032170 | 3344 |

Categories of Shareholders as on 31st March, 2017

Shareholding Pattern

| Category | No. of Shares | % of Paid up capital |
|---|---------------------|----------------------|
| A Promoters' Holding | | |
| 1. Promoters | | |
| a) Indian Promoters | | |
| - Individual | 1,46,28,600 | 3.01 |
| - Corporate Bodies | 6,61,37,000 | 13.59 |
| b) Foreign Promoters | — | — |
| 2. Persons acting in concert | — | — |
| Sub Total (A) | 8,07,65,600 | 16.60 |
| 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 | 1,35,68,390 | 2.79 |
| b. Indian Public | 35,62,80,787 | 73.22 |
| c. Non Resident Indians/Overseas | 2,66,01,679 | 5.47 |
| d. Trust | — | — |
| e. Clearing Member | 21,37,660 | 0.44 |
| f. Clearing House | 72,07,084 | 1.48 |
| Sub Total (B) | 40,57,95,600 | 83.40 |
| G.TOTAL (A+B) | 48,65,61,200 | 100.00 |

**Dematerialisation of shares and liquidity**

The ISIN of the Company's shares is INE793G01035. After dematerialisation of shares the shareholders must contact their DPs for any information/instructions in respect of their shareholdings.

As on 31.03.2017, 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 | 11330 | 57.33 | 325327586 | 66.86 |
| 2. | CDSL | 8259 | 41.80 | 156055014 | 32.07 |
| 3. | PHYSICAL | 171 | 0.87 | 5178600 | 1.07 |

Distribution of shareholding as on 31st March, 2017

| Distribution | No. of Share holders | % of Shareholders | No of Shares | % of Shareholding |
|----------------|----------------------|-------------------|------------------|-------------------|
| 1- 500 | 3985 | 20.17 | 896131 | 0.18 |
| 501 - 1000 | 2707 | 13.70 | 2464324 | 0.51 |
| 1001 - 5000 | 5825 | 29.48 | 17054794 | 3.51 |
| 5001 - 10000 | 2635 | 13.34 | 22060676 | 4.53 |
| 10001 - 20000 | 1720 | 8.70 | 26792930 | 5.51 |
| 20001 - 30000 | 749 | 3.79 | 19357880 | 3.98 |
| 30001 - 40000 | 381 | 1.93 | 13720128 | 2.82 |
| 40001 - 50000 | 380 | 1.92 | 18094122 | 3.72 |
| 50001 - 100000 | 703 | 3.56 | 53671457 | 11.03 |
| above 100000 | 675 | 3.42 | 312448758 | 64.22 |
| | 19760 | 100.00 | 486561200 | 100.00 |

**Address for Correspondence:
Share Transfer and Demat**

INDUS PORTFOLIO PVT. LIMITED
G-65, Bali Nagar,
New Delhi-110015
Phones : +91-11-47671214
E-mail : cs.anamika@indusinvest.com
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
PMC FINCORP LIMITED
14/5, Old Rajinder Nagar,
New Delhi-110060
Phone : +91-11-42436846
E-mail : prtimercantile@gmail.com
Web site : pmcfinance.in



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

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

It is further confirmed that all Directors and Senior Management personnel of the Company have affirmed compliance with the Code of Conduct of the Company for the financial year ended March 31, 2017 as envisaged in Regulation 34 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

For Priti Mercantile Company Ltd.

Place : New Delhi
Date : 12.08.2017

Raj Kumar Modi
Managing Director

CERTIFICATION BY MANAGING DIRECTOR AND CHIEF FINANCE OFFICER

To,
The Members of
PMC Fincorp Limited

We certify that:

1. We have reviewed the Financial Statements and Cash Flow Statement of PMC Fincorp Limited for the year ended on 31st March, 2017 and that to the best of our knowledge and belief:
 - (a) these statement do not contain any materially untrue statement or omit any Material fact or contain statements that might be misleading.
 - (b) these statement together present a true and faire view of the Company's affairs and are in compliance with existing accounting standards applicable laws & regulations.
2. There are to the best of our knowledge and belief, no transaction entered into by the Company during the year which are fraudulent illegal or violative of the Company's code of conduct.
3. We accept responsibility for establishing and maintain internal controls for financial reporting and that we have evaluated the effectiveness of the internal control system of the company pertaining to financial reporting and we have not come across any deficiency in the design or operation of such internal control.
4. We have indicated to the Auditors and the Audit Committee:
 - (a) Significant changes in the internal control during the year.
 - (b) Significant changes in accounting policies during the year.
 - (c) That there are no instances of significant fraud of which we have become aware.

Place : New Delhi
Date : 12.08.2017

Raj Kumar Modi
Managing Director
DIN: 01274171

Vijay Kumar Yadav
(Chief Financial Officer)



CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

To,

The Members of
PMC Fincorp Limited

1. We have examined the compliance of conditions of Corporate Governance by **PMC FINCORP LIMITED** ("the Company"), for the year ended on 31st March 2017, as stipulated in Regulation 17 to 27 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
2. The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to the procedures and implementation thereof, adopted by the Company ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. We have examined the relevant records of the Company in accordance with the Generally Accepted Auditing Standards in India, to the extent relevant, and as per the Guidance Note on Certificate of Corporate Governance issued by the Institute of Chartered Accountants of India.

In our opinion and to the best of our information and according to our examination of relevant records and the explanations given to us and the representations by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the year ended on 31st March 2017.

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

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

Place : New Delhi
Dated : 12.08.2017

(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 **M/s PMC Fincorp Limited** which comprise the Balance Sheet as at March 31, 2017, 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

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

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

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, 2017;
- 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 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, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the **Annexure - A**, a statement on the matters Specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by section 143(3) of the Act, we report that:
 - a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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 aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and Companies (Accounting Standards) amendment Rules 2016;
 - e) On the basis of written representations received from the directors as on 31st March, 2017, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017, from being appointed as a director in terms of Section 164(2) of the Act.
 - f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "**Annexure - B**"; and
 - g) In our opinion and to the best of our information and according to the explanations given to us, we report as under with respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014:
 - i) The Company does not have any pending litigations which would impact its financial position in its financial statements;
 - ii) The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses, if any, on long term contracts including derivative contracts;
 - iii) There were no amounts which required to be transferred by the Company to the Investor Education and Protection Fund by the Company.

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

Place : New Delhi
Dated : 30.05.2017

(MANMOHAN GOYAL)
Partner
M.No. 086085



ANNEXURE - A TO THE AUDITORS' REPORT

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

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

- (i) In respect of its fixed assets:
 - a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - b) As explained to us, the fixed assets have been physically verified by the management during the year and no material discrepancies were noticed on such physical verification.
- (ii) In respect of its inventory:
 - a) The inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
 - b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - c) The Company has maintained proper records of inventories. As per the information and explanation given to us, no material discrepancies were noticed on physical verification.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms limited liability partnerships or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013; and therefore paragraph 3(iii) of the Order is not applicable.
- (iv) In our opinion and according to the information & explanations given to us, there are no loans, investments, guarantees and securities granted in respect of which provisions of section 185 & 186 of the companies act 2013 are applicable and hence not commented upon.
- (v) The company has not accepted any deposits from the public.
- (vi) To the best of our knowledge and as explained, the Central Government has not prescribed maintenance of cost records under sub-section (1) of Section 148 of the Act, for the products & services of the company. Therefore, in our opinion, the provisions of clause 3(vi) of the prder are not applicable to the company.
- (vii) The company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Income-tax, Service Tax and other material statutory dues applicable to it.
According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Income-tax, Service Tax and other undisputed statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (viii) Based on our audit procedures performed for the purpose of reporting the true & fair view of the financial statements and according to the information and explanations given by the management, we are of the opinion that the Company has not defaulted in the repayment of dues to financial institutions, Banks, Debenture holders or government.
- (ix) Based on our audit procedures performed for the purpose of reporting the true & fair view of the financial statements and according to the information and explanations given by the management and on an overall examination of the Balance sheet, we report that monies raised by way of debt instruments in the nature of debentures and commercial papers were applied for the purposes for which they were raised.



- (x) Based on our audit procedures performed for the purpose of reporting the true & fair view of the financial statements and according to the information and explanations given by the management and on an overall examination of the Balance sheet, we report that no fraud on or by the officers and employees of the company has been noticed or reported during the year.
- (xi) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) In our opinion, the Company is not a Nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- (xiii) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence not commented upon.
- (xv) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him.
- (xvi) According to the information and explanations given to us, we report that the Company has registered as required, under section 45-IA of the Reserve Bank of India Act, 1934.

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

Place: New Delhi
Dated: 30.05.2017

(MANMOHAN GOYAL)
Partner
M.No. 086085



ANNEXURE - B TO THE AUDITORS' REPORT

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

We have audited the internal financial controls over financial reporting of **PMC Fincorp Limited** ("the Company") as of 31st March 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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



Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

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

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

Place: New Delhi
Dated: 30.05.2017

(MANMOHAN GOYAL)
Partner
M.No. 086085



BALANCE SHEET AS AT 31ST MARCH, 2017

(Amount in ₹)

| Particulars | Note No. | At the End of 31.03.2017 | At the End of 31.03.2016 |
|--|----------|--------------------------|--------------------------|
| I. EQUITY AND LIABILITIES | | | |
| (1) Shareholder's Funds | | | |
| (a) Share Capital | 2 | 486,561,200 | 486,561,200 |
| (b) Reserves and Surplus | 3 | 87,381,710 | 80,059,030 |
| (c) Money received against share warrants from related parties | | 19,687,500 | — |
| (2) Share Application money pending allotment | | — | — |
| (3) Non-Current Liabilities | | | |
| (a) Long Term Provision | 4 | 3,085,126 | 3,191,922 |
| (4) Current Liabilities | | | |
| (a) Short-Term Borrowings | 5 | 506,525,425 | 569,483,762 |
| (b) Trade Payables | 6 | 40,060,699 | 43,729,824 |
| (c) Other Current Liabilities | 7 | 7,540,588 | 8,429,559 |
| (d) Short-Term Provisions | 8 | 3,724,411 | 5,955,990 |
| Total Equity & Liabilities | | 1,154,566,658 | 1,197,411,286 |
| II. ASSETS | | | |
| (1) Non-Current Assets | | | |
| (a) Fixed Assets | | | |
| (i) Tangible Assets | 9 | 1,667,752 | 2,255,127 |
| (b) Investments | 10 | 146,925,289 | 107,750,567 |
| (2) Deferred Tax Asset | 11 | 272,685 | 204,410 |
| (3) Current Assets | | | |
| (a) Inventories | 12 | 9,761,700 | 6,071,193 |
| (b) Cash and cash equivalents | 13 | 3,726,820 | 10,068,508 |
| (c) Short Term Loans and advances | 14 | 992,212,412 | 1,071,061,481 |
| Total Assets | | 1,154,566,657 | 1,197,411,286 |

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.:086085

(R. K. MODI)

Managing Director

DIN:01274171

(REKHA MODI)

Director

DIN:01274200

Place : New Delhi

Date : 30.05.2017

(VIJAY KUMARYADAV)

Chief Financial Officer



STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2017

(Amount in ₹)

| Sr. No | Particulars | Note No. | At the End of 31.03.2017 | At the End of 31.03.2016 |
|--------|---|------------|--------------------------|--------------------------|
| I | Revenue from Operations | 15 | 73,589,742 | 143,900,106 |
| | Other Incomes | 16 | — | 14,588 |
| | Total Revenue | | 73,589,742 | 143,914,694 |
| II | Expenses: | | | |
| | Purchase of Stocks & Shares | | 14,060,000 | 52,867,445 |
| | Changes in inventories of finished goods, work-in-progress and Stock-in-Trade | 17 | (3,690,507) | 36,390,565 |
| | Employee Benefits Expenses | 18 | 7,644,055 | 7,369,982 |
| | Finance Cost | 19 | 35,301,258 | 22,880,552 |
| | Depreciation and Amortization Expense | 20 | 748,920 | 1,272,293 |
| | Other Administrative Expenses | 21 | 8,653,995 | 8,487,503 |
| | Total Expenses | | 62,717,722 | 129,268,341 |
| III | Profit before exceptional and extraordinary items and tax | (I-II) | 10,872,020 | 14,646,353 |
| IV | Exceptional Items | | — | — |
| V | Profit before extraordinary items and tax | (III-IV) | 10,872,020 | 14,646,353 |
| VI | Extraordinary Items | | — | — |
| VII | Profit before tax | (V-VI) | 10,872,020 | 14,646,353 |
| VIII | Tax expense: | | | |
| | (1) Current tax | | 3,724,411 | 5,955,990 |
| | (2) Deferred tax asset | | (68,275) | (264,758) |
| IX | Profit(Loss) from the period | (VII-VIII) | 7,215,884 | 8,955,121 |
| X | Earning per equity share: | 22 | | |
| | (1) Basic | | 0.01 | 0.02 |
| | (2) Diluted | | 0.01 | 0.02 |
| XI | No of weighted average shares used in computing EPS | | | |
| | (1) Basic | | 486,561,200 | 486,561,200 |
| | (2) Diluted | | 509,061,200 | 486,561,200 |
| | Face Value Per Share | | 1 | 1 |

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.:086085

(R. K. MODI)

Managing Director

DIN:01274171

(REKHA MODI)

Director

DIN:01274200

Place : New Delhi

Date : 30.05.2017

(VIJAY KUMARYADAV)

Chief Financial Officer



CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2017

| | As on 31-03-2017 (₹) | As on 31-03-2016 (₹) |
|--|----------------------------|----------------------------|
| A. CASH FLOW FROM OPERATING ACTIVITIES: | | |
| Net Profit before tax | 10,872,020 | 14,646,353 |
| Adjustment for: | | |
| Depriciation/amortisation | 748,920 | 1,272,293 |
| Expenses W/Off | — | — |
| Less: Profit on sale of asset | — | (14,588) |
| Operating Profit Before working capital changes | <u>11,620,940</u> | <u>15,904,058</u> |
| Adjustment for working capital: | | |
| Increase / (Decrease) in Inventories | (3,690,507) | 36,390,565 |
| (Increase) / Decrease in Trade receivables | — | — |
| Decrease / (increase) in Short term Loans & advances | 78,780,794 | (161,952,923) |
| Increase / (Decrease) in Short -Term Borrowings | (62,958,337) | 179,212,965 |
| Increase / (Decrease) in Trade Payables | (3,669,125) | 20,595,884 |
| Increase / (Decrease) in Other current Liabilities | (3,120,550) | (10,017,970) |
| Cash generated from operations | <u>16,963,216</u> | <u>80,132,579</u> |
| Income taxes paid | (3,656,136) | (5,691,232) |
| proposed dividend | — | — |
| Dividend tax | — | — |
| Net cash outflow from operating Activities | <u>13,307,080</u> | <u>74,441,347</u> |
| B. CASH FLOW FROM INVESTING ACTIVITIES | | |
| Sale of Fixed Asset | — | 415,412 |
| Profit on sale of Fixed Asset | — | 14,588 |
| Purchase of Fixed Assets | (161,546) | (1,189,530) |
| Sale of Investments | 23,232,000 | — |
| Purchase of investments | (62,406,722) | (66,700,000) |
| Net cash used in investing activities | <u>(39,336,268)</u> | <u>(67,459,530)</u> |



| | As on 31-03-2017 (₹) | As on 31-03-2016 (₹) |
|---|----------------------------|----------------------------|
| C. CASH FLOW FROM FINANCING ACTIVITIES | | |
| Repayment of Long Term Borrowings | — | — |
| Secured Loans | — | — |
| Unsecured Loans | — | — |
| Proceeds from issue of Warrant (Share Capital) | 19,687,500 | — |
| Net cash from/ (used in) Financing Activities | 19,687,500 | — |
| Net increase / (decrease) in cash and cash equivalents | (6,341,688) | 6,981,817 |
| Cash and Cash Equivalents as at March 31,(Opening balance) | 10,068,508 | 3,086,692 |
| Cash and Cash Equivalents as at March 31,(Closing balance) | 3,726,820 | 10,068,509 |
| Note: | | |
| 1. Cash and cash equivalents includes: | | |
| Cash and bank balances | 3,343,938 | 9,685,626 |
| Fixed Deposits under lien/ custody with banks/ sales tax department | — | — |
| Unclaimed Dividend Accounts | 382,882 | 382,882 |
| Total cash and cash equivalents as per balance sheet | 3,726,820 | 10,068,508 |
| 2. The Cash Flow Statement has been prepared under the 'Indirect Method' as set out in AS 3 -"Cash Flow Statement" and notified in Companies (Accounting Standard) Rules, 2006 (as amended). | | |
| 3. Cash and cash equivalents represent cash and bank balances. (Refer Note 13). | | |
| 4. Figures in brackets represent cash outflow | | |
| 5. Previous Year's figures have been regrouped/rearranged wherever necessary. | | |

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.:086085

(R. K. MODI)

Managing Director

DIN:01274171

(REKHA MODI)

Director

DIN:01274200

Place : New Delhi

Date : 30.05.2017

(VIJAY KUMAR YADAV)

Chief Financial Officer



NOTES TO THE FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES

(i) Basis of preparation

The financial statements are prepared under the historical cost convention, in accordance with the Indian Generally Accepted Accounting Principles (GAAP), to comply with the accounting standards specified u/s 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, relevant pronouncements of the Institute of Chartered Accountants of India (ICAI) and the provisions of the Companies Act, 2013. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy either to in use.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in schedule III of the Companies Act, 2013. Previous year's figures have been regrouped/ reclassified wherever considered necessary. Based on the nature of services and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current / non-current classification of its assets and liabilities.

(ii) Use of estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates. Adjustments as a result of differences between actual and estimates are made prospectively.

(iii) Current / Non-current classification

All assets and liabilities are classified as current and non-current.

i) Assets

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

- a. It is expected to be realized in, or is intended for sale or consumption in, the Company's normal operating cycle;
- b. It is held primarily for the purpose of being traded;
- c. It is expected to be realized within 12 months after the reporting date; or
- d. It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of noncurrent financial assets. All other assets are classified as non-current.

ii) Liabilities

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

- a. It is expected to be settled in the Company's normal operating cycle;
- b. It is held primarily for the purpose of being traded;
- c. It is due to be settled within 12 months after the reporting date; or



- d. The Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Current liabilities includes current portion of noncurrent financial liabilities. All other liabilities are classified as non-current.

ix. Going Concern Disclosure

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

x. 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.

xi. Fixed Assets:

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

xii. Depreciation:

Depreciation is provided based on useful life of assets on Straight Line Method (SLM). The useful life of assets is taken as prescribed in Schedule II to the Companies Act, 2013.

xiii. Investments:

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

ix. Inventories:

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

x. 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.

xi. 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.

xii. 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.

**xiii. Miscellaneous Expenditure:**

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

xiv. 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.

xv. 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.

xvi. 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.

xvii. 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.

xviii. 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 31.03.2017 No. | At the End of 31.03.2017 ₹ | At the End of 31.03.2016 No. | At the End of 31.03.2016 ₹ |
|--------|---|---------------------------------|-------------------------------|---------------------------------|-------------------------------|
| a. | AUTHORISED CAPITAL Equity Shares of ₹ 1/- each (P.Y. ₹ 1/- each) | 520,000,000 | 520,000,000 | 520,000,000 | 520,000,000 |
| b. | ISSUED, SUBSCRIBED & PAID UP CAPITAL Equity Shares of ₹ 1/- each (P.Y. ₹ 1/- each) | 486,561,200 | 486,561,200 | 486,561,200 | 486,561,200 |
| | Total in ₹ | 486,561,200 | 486,561,200 | 486,561,200 | 486,561,200 |

- a. Equity Shares: The Company has one class of equity shares having a par value of ₹1/- each (P.Y. ₹ 1/- each). Each holder of equity shares is entitled to one vote per share.
- b. 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.
- c. Detail of Bonus shares issued during previous five years is as under:

| S.No | Description | Date of Issue | No of Shares | Face Value |
|------|--|---------------|--------------|------------|
| 1 | 1 (One) Equity Share for every 2 (Two) Equity Shares | 06.09.2011 | 4458900 | 10 |
| 2 | 8 (Eight) Equity Shares for every 10 (Ten) Equity Shares | 19.03.2014 | 21402720 | 5 |
| 3 | 1 (One) Equity Share for every 1 (One) Equity Share | 02.09.2015 | 243280600 | 1 |

- d. 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.

2 A Reconciliation of number of Shares

| Sr. No | Particulars | At the End of 31.03.2017 No. | At the End of 31.03.2017 ₹ | At the End of 31.03.2016 No. | At the End of 31.03.2016 ₹ |
|--------|---|---------------------------------|-------------------------------|---------------------------------|-------------------------------|
| a. | Shares Outstanding at the beginning of the Year | 486,561,200 | 486,561,200 | 243,280,600 | 243,280,600 |
| b. | Share Issued during the year (Bonus Issue) 1 Share for every 1 Share held | — | — | 243,280,600 | 243,280,600 |
| c. | Preferential Issue | — | — | — | — |
| d. | Shares bought back during the year | — | — | — | — |
| e. | Any other movement | — | — | — | — |
| | Shares Outstanding at the end of the year | 486,561,200 | 486,561,200 | 486,561,200 | 486,561,200 |



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 31.03.2017 % | At the End of 31.03.2017 No. | At the End of 31.03.2016 % | At the End of 31.03.2016 No. |
|--------|---------------------------------------|----------------------------|------------------------------|----------------------------|------------------------------|
| 1. | RRP Management Services Pvt. Ltd. | 6.91 | 32,506,000 | 6.91 | 32,506,000 |
| 2. | Prabhat Management Services Pvt. Ltd. | 6.68 | 33,631,000 | 6.68 | 33,631,000 |

- As per the records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.
- There are no shares reserved for issue under options and contracts/commitments for sale of shares/disinvestment.
- There are no unpaid calls from any Director or Officer.

Note : 3 Reserve & Surplus

| Sr. No | Particulars | At the End of 31.03.2017 (₹) | At the End of 31.03.2016 (₹) |
|----------|--|------------------------------|------------------------------|
| a | Statutory Reserve | | |
| | Opening Balance | 14,025,440 | 12,196,532 |
| | Add: Tfd during the year | 1,443,177 | 1,828,908 |
| | Closing Balance | 15,468,617 | 14,025,440 |
| b | Share Premium Account | | |
| | Opening balance | 5,103,800 | 248,384,400 |
| | Less: Tfr to Share Capital | — | (243,280,600) |
| | Closing Balance | 5,103,800 | 5,103,800 |
| c | Surplus in Statement of Profit & Loss | | |
| | Opening Balance | 60,929,790 | 56,995,499 |
| | Add: Net Profit for the year | 7,215,884 | 8,955,121 |
| | Less Tfd to Statutory Reserve | 1,443,177 | 1,828,908 |
| | Less Provision for Standard Assets | (106,796) | 3,191,922 |
| | Closing Balance | 66,809,293 | 60,929,790 |
| | Total in ₹ | 87,381,710 | 80,059,030 |

Note : 4 Long Term Provisions

| Sr. No | Particulars | At the End of 31.03.2017 (₹) | At the End of 31.03.2016 (₹) |
|--------|---|------------------------------|------------------------------|
| a. | Provision for Standard Assets (As per R B I Guidelines) | 3,085,126 | 3,191,922 |
| | Total in ₹ | 3,085,126 | 3,191,922 |

**Note : 5 Short Term Borrowings**

| Sr. No | Particulars | At the End of 31.03.2017 (₹) | At the End of 31.03.2016 (₹) |
|--------|----------------------------------|------------------------------------|------------------------------------|
| a | Secured Loans | — | — |
| b | Unsecured Loans | | |
| | Loans Repayable on Demand | | |
| | From Body Corporates | 494,075,425 | 551,683,762 |
| | From Other | 12,450,000 | 17,800,000 |
| | Total in ₹ | 506,525,425 | 569,483,762 |

Note : 6 Trade Payable

| Sr. No | Particulars | At the End of 31.03.2017 (₹) | At the End of 31.03.2016 (₹) |
|--------|-------------------|------------------------------------|------------------------------------|
| 1 | Sundry Creditor | 40,060,699 | 43,729,824 |
| | Total in ₹ | 40,060,699 | 43,729,824 |

Note : 7 Other Current Liabilities

| Sr. No | Particulars | At the End of 31.03.2017 (₹) | At the End of 31.03.2016 (₹) |
|--------|------------------------|------------------------------------|------------------------------------|
| 1 | Expenses Payable | 2,444,130 | 2,560,505 |
| 2 | Unclaimed Dividend:- | | |
| | 2010-2011 | 21,000 | 21,000 |
| | 2011-2012 | 151,672 | 151,672 |
| | 2012-2013 | 210,211 | 210,211 |
| 3 | Duties & Taxes Payable | 4,563,576 | 3,461,172 |
| 4 | MCA Fee Payable | 150,000 | 2,025,000 |
| | Total in ₹ | 7,540,588 | 8,429,559 |

Note : 8 Short Term Provisions

| Sr. No | Particulars | At the End of 31.03.2017 (₹) | At the End of 31.03.2016 (₹) |
|--------|------------------------|------------------------------------|------------------------------------|
| 1 | Provision for Taxation | 3,724,411 | 5,955,990 |
| | Total in ₹ | 3,724,411 | 5,955,990 |



(Amount in ₹)

Note: 9 Fixed Asset

| Sr. No | Particulars | Gross Block (Cost/Valuation) | | | Depreciation/Amortisation/Impairment | | | Net Block | | | |
|--------|-----------------------------|------------------------------|--------------------------|--------------------------|--------------------------------------|------------------|------------------------|----------------------|------------------|------------------|------------------|
| | | 01.04.2016 | Addition during the year | Disposal during the year | 31.03.2017 | Upto 31.03.2016 | Charge During the Year | Disposal Adjustments | Upto 31.03.2017 | 31.03.2017 | 31.03.2016 |
| | Tangible Assets | | | | | | | | | | |
| 1 | Computer | 383,174 | 65,981 | — | 449,155 | 335,056 | — | 56,367 | 391,423 | 57,732 | 48,118 |
| 2 | Electric Equipment | 165,675 | — | — | 165,675 | 44,750 | — | 13,754 | 58,504 | 107,171 | 120,925 |
| 3 | Furniture & Fixtures | 1,672,208 | — | — | 1,672,208 | 639,203 | — | 323,995 | 963,198 | 709,010 | 1,033,005 |
| 4 | Mobile Phone | 170,512 | 29,143 | — | 199,655 | 96,016 | — | 30,858 | 126,874 | 72,781 | 74,496 |
| 5 | Office Equipment | 231,584 | 66,422 | — | 298,006 | 74,010 | — | 77,719 | 151,729 | 146,277 | 157,574 |
| 6 | Vehicles | 1,756,341 | — | — | 1,756,341 | 936,912 | — | 245,703 | 1,182,615 | 573,726 | 819,429 |
| 7 | Softwares | 21,100 | — | — | 21,100 | 19,520 | — | 525 | 20,045 | 1,055 | 1,580 |
| | Total (Current Year) | 4,400,594 | 161,546 | — | 4,562,140 | 2,145,467 | — | 748,921 | 2,894,388 | 1,667,752 | 2,255,127 |
| | Previous Year | 4,199,879 | 1,189,530 | 988,815 | 4,400,594 | 1,446,576 | 573,403 | 1,272,294 | 2,145,467 | 2,255,127 | 2,753,303 |

**Note: 10 Non Current Investments**

| Sr. No. | Name of Company | No. of Shares | | Face Value/ Unit | Amt. in ₹ | |
|----------|--|----------------|----------------|------------------|--------------------|--------------------|
| | | As at 31.03.17 | As at 31.03.16 | | As at 31.03.17 | As at 31.03.16 |
| a | Trade Investments (Quoted) | | | | | |
| 1 | Avonmore Capital & Management Services Ltd. | — | 1,000,000 | 10.00 | — | 20,000,000 |
| 2 | Pranvadiya Spinning Ltd. | 498,800 | 498,800 | 10.00 | 2,050,567 | 2,050,567 |
| | Total in ₹ (a) | | | | 2,050,567 | 22,050,567 |
| b | Trade Investments (Unquoted) | | | | | |
| 1 | Gold Squire Builders & Promoters (P) Ltd. | — | 10,000 | 10.00 | — | 1,000,000 |
| 2 | Swati Menthol & Allied Chemicals Ltd. | 180,000 | 180,000 | 10.00 | 18,000,000 | 18,000,000 |
| 3 | Catamaran Corporation (P) Ltd. (Redeemable Non-Cumulative Preference Shares) | 150,000 | 150,000 | 10.00 | 15,000,000 | 15,000,000 |
| 4 | CSK Infrastructure Private Limited | 500,000 | 500,000 | 10.00 | 5,000,000 | 5,000,000 |
| 5 | EPS Finvest P. Ltd. | | | | 2,182,500 | |
| 6 | Prakash Ferrous Industries (P) Ltd. | — | 20,000 | 10.00 | — | 2,200,000 |
| 7 | S. G. Corporate Moblity P Ltd. | 21,875 | 21,875 | 10.00 | 35,000,000 | 35,000,000 |
| 8 | Value One Retail P Ltd. | 263,000 | 263,000 | 10.00 | 9,468,000 | 9,500,000 |
| 9 | BSB Marketing Pvt. Ltd. | 13,15,575 | — | 10.00 | 24,995,722 | — |
| 10 | Gurunanak Airtech Private Limited | 231,480 | — | 10.00 | 12,500,000 | — |
| | Total in ₹ (b) | | | | 122,146,222 | 85,700,000 |
| c | Investment in Immovable Property | | | | 22,728,500 | — |
| | Total in ₹ (c) | | | | 22,728,500 | 85,700,000 |
| | G.Total in ₹ (a+b+c) | | | | 146,925,289 | 107,750,567 |

Note : 11 Non Current Asset

| Sr. No | Particulars | At the End of 31.03.2017 (₹) | At the End of 31.03.2016 (₹) |
|--------|--------------------|------------------------------|------------------------------|
| 1 | Deffered Tax Asset | 272,685 | 204,410 |
| | Total in ₹ | 272,685 | 204,410 |

Note : 12 Inventories

| Sr. No | Particulars | At the End of 31.03.2017 (₹) | At the End of 31.03.2016 (₹) |
|--------|------------------------------|------------------------------|------------------------------|
| 1 | Stock of Shares & Securities | 9,761,700 | 6,071,193 |
| | Total in ₹ | 9,761,700 | 6,071,193 |



Note : 13 Cash & Cash Equivalent

| Sr. No | Particulars | At the End of 31.03.2017 (₹) | At the End of 31.03.2016 (₹) |
|----------|---|------------------------------------|------------------------------------|
| 1 | Cash-in-Hand | | |
| | Cash in hand | 136,993 | 1,318,862 |
| | Sub Total (A) | 136,993 | 1,318,862 |
| 2 | Balances at Banks | | |
| a | Bank of Baroda, Rampur U. P. | 10,295 | 10,295 |
| b | HDFC Bank Ltd Rajender Nagar, New Delhi | 2,413,191 | 7,573,495 |
| c | HDFC Bank Ltd Patel Nagar, New Delhi | 49,836 | 52,772 |
| d | ICICI Bank Ltd, New Delhi | 71,427 | 48,463 |
| e | ICICI Bank Ltd, New Delhi | 618,226 | 604,800 |
| f | Kotak Bank | 43,969 | 76,938 |
| g | HDFC Dividend A/C (FY 2010-11) | 21,000 | 21,000 |
| h | HDFC Dividend A/C (FY 2011-12) | 151,672 | 151,672 |
| i | HDFC Dividend A/C (FY 2012-13) | 210,211 | 210,211 |
| | Sub Total (B) | 3,589,827 | 8,749,647 |
| | Total [A + B] | 3,726,820 | 10,068,508 |

Note : 14 Short Terms Loans and Advances

| Sr. No | Particulars | At the End of 31.03.2017 (₹) | At the End of 31.03.2016 (₹) |
|----------|--|------------------------------------|------------------------------------|
| 1 | Loans & Advances to related parties | | |
| a) | <u>Secured, Considered Good :</u> | | |
| | Advance to Associate Concerns | — | — |
| b) | <u>Unsecured, Considered Good :</u> | — | — |
| c) | <u>Doubtful</u> | — | — |
| 2 | Others | 984,489,584 | 1,063,916,795 |
| | <i>Advance Recoverable in cash or in kind or for value to be considered good</i> | | |
| | Refundable from IT Authorities (AY11-12) | 232,171 | 232,171 |
| | Refundable from IT Authorities (AY12-13) | 1,509,732 | 1,509,732 |
| | TDS 2012-13 | 148,576 | 148,576 |
| | TDS 2013-14 | 16,171 | 16,171 |
| | TDS 2014-15 | 83,983 | 94,788 |
| | TDS 2015-16 | — | 5143248 |
| | TDS 2016-17 | 5,732,195 | — |
| | Total in ₹ | 992,212,412 | 1,071,061,481 |

- 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 : 15 Revenue from Operations**

| Sr. No | Particulars | At the End of 31.03.2017 (₹) | At the End of 31.03.2016 (₹) |
|-------------------|---------------------------------------|---------------------------------|---------------------------------|
| 1 | Sales of Stock and Shares | 4,620,996 | 60,022,152 |
| 2 | Interest Income | 68,718,746 | 83,858,095 |
| 3 | Dividend Income | — | 591 |
| 4 | Income from Speculative Activities | — | 19,268 |
| 5 | Brokerage from Distribution Operation | 250,000 | — |
| Total in ₹ | | 73,589,742 | 143,900,106 |

Note : 16 Other Incomes

| Sr. No | Particulars | At the End of 31.03.2017 (₹) | At the End of 31.03.2016 (₹) |
|-------------------|-----------------------|---------------------------------|---------------------------------|
| 1 | Profit on Sale of Car | — | 14,588 |
| Total in ₹ | | — | 14,588 |

Note : 17 Change in Inventories

| Sr. No | Particulars | At the End of 31.03.2017 (₹) | At the End of 31.03.2016 (₹) |
|-------------------|-------------------------|---------------------------------|---------------------------------|
| 1 | Opening Stock of Shares | 6,071,193 | 42,461,758 |
| 2 | Closing Stock of Shares | 9,761,700 | 6,071,193 |
| Total in ₹ | | (3,690,507) | 36,390,565 |

Note : 18 Employee Benefits Expenses

| Sr. No | Particulars | At the End of 31.03.2017 (₹) | At the End of 31.03.2016 (₹) |
|-------------------|------------------------|---------------------------------|---------------------------------|
| 1 | Salary | 7,460,872 | 7,250,067 |
| 2 | Staff welfare expenses | 183,183 | 119,915 |
| Total in ₹ | | 7,644,055 | 7,369,982 |

Note : 19 Finance Costs

| Sr. No | Particulars | At the End of 31.03.2017 (₹) | At the End of 31.03.2016 (₹) |
|-------------------|-------------------------|---------------------------------|---------------------------------|
| 1 | Interest & Bank Charges | 35,301,258 | 22,880,552 |
| Total in ₹ | | 35,301,258 | 22,880,552 |

Note : 20 Depreciation & Amortisation Expenses

| Sr. No | Particulars | At the End of 31.03.2017 (₹) | At the End of 31.03.2016 (₹) |
|-------------------|--------------|---------------------------------|---------------------------------|
| 1 | Depreciation | 748,920 | 1,272,293 |
| Total in ₹ | | 748,920 | 1,272,293 |



Note : 21 Other Administrative Expenses

| Sr. No | Particulars | At the End of 31.03.2017 (₹) | At the End of 31.03.2016 (₹) |
|-------------------|---------------------------------------|------------------------------------|------------------------------------|
| 1 | Audit Fee | 143,750 | 143,125 |
| 2 | Advertisement & Publicity | 42,798 | 85,228 |
| 3 | Bank charges | 28,219 | 12,422 |
| 4 | Board Meeting Fee to Directors | 143,750 | 136,000 |
| 5 | Books & periodicals | 102,832 | 98,751 |
| 6 | Brokerage & Commission | 688,889 | 1,419,600 |
| 7 | Computer Maintenace | 17,700 | 3,600 |
| 8 | Conveyance Charges | 390,044 | 403,886 |
| 9 | Custodian Charges-CDSL/NSDL | 264,745 | 339,672 |
| 10 | Interest paid on taxes | 36,068 | 326,002 |
| 11 | Internal Audit Fee | 230,000 | — |
| 12 | Interest paid on MCA Fee | 432,460 | — |
| 13 | Loss on Sale of Investment | 2,734,515 | — |
| 14 | Miscellaneous Expenses | 7,986 | 1,365 |
| 15 | Office Expenses | 415,197 | 399,596 |
| 16 | Postage & Courior Expenses | 225,963 | 263,144 |
| 17 | Printing & Stationery Expenses | 285,988 | 340,278 |
| 18 | Professional Charges | 336,695 | 471,963 |
| 19 | Rent Rates & Electricity Charges | 944,117 | 601,910 |
| 20 | Registrar and transfer agent expenses | 16,330 | 112,555 |
| 21 | ROC Filling Fees | 165,000 | 2,094,200 |
| 22 | Service tax paid on Directors Fee | — | 19,964 |
| 23 | Stock Exchange Expenses | 229,000 | 370,420 |
| 24 | Share Trading Expenses | 9,812 | 120,758 |
| 25 | Telephone Expenses | 144,820 | 49,471 |
| 26 | Travelling Expenses | 136,548 | 264,056 |
| 27 | Vehicle Running & Maintainance | 480,771 | 409,537 |
| Total in ₹ | | 8,653,995 | 8,487,503 |

22. Earnings per share

Earnings per share (EPS) are computed in accordance with Accounting Standard "AS 20 - Earnings per Share" by dividing the net profit after tax by the weighted average number of equity shares outstanding for the period.

| Particulars | At the End of 31.03.2017 | At the End of 31.03.2016 |
|---|-----------------------------|-----------------------------|
| Net profit/(loss) after tax available for equity shareholders (Rs.) (A) | 7,215,884 | 8,955,121 |
| Weighted average number of equity shares for Basic EPS (Nos.) (B) (Face value of Rs.1 each) | 486,561,200 | 486,561,200 |
| Weighted average number of equity shares for diluted EPS (Nos.) (C) (Face value of Rs. 1 each) | 509,061,200 | 486,561,200 |
| Basic EPS (A/B) | 0.01 | 0.02 |
| Diluted EPS (A/C) | 0.01 | 0.02 |

**23. 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 |

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 | |
|--|--------------------------------------|-----------|---|---------|--|---------|
| | 2016-17 | 2015-16 | 2016-17 | 2015-16 | 2016-17 | 2015-16 |
| Rent Paid | 675,000 | 475,000 | NIL | NIL | NIL | NIL |
| Director Remuneration Paid | 2,400,000 | 2,400,000 | NIL | NIL | NIL | NIL |
| Inter Corporate Deposits availed | NIL | NIL | NIL | NIL | NIL | NIL |
| Inter Corporate Deposits Repaid | NIL | NIL | NIL | NIL | NIL | NIL |
| Unsecured Loan Received | NIL | NIL | NIL | NIL | NIL | NIL |
| Unsecured Loan Repaid | NIL | NIL | NIL | NIL | NIL | NIL |
| Share Capital Received including Share Premium | NIL | NIL | NIL | NIL | NIL | NIL |
| Balance Outstanding at year end | | | | | | |
| Unsecured Loan | NIL | NIL | NIL | NIL | NIL | NIL |
| Inter Corporate Deposits | NIL | NIL | NIL | NIL | NIL | NIL |

(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.

24. 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.
25. 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.
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. Quantative information pursuant to the provisions of paragraphs 3, 4C, 4D of Part II of Schedule VI of the Companies Act.

| Shares, Securities, Bonds & Commodities | Qty. | Amount |
|---|------------------|-------------------|
| Opening Stock | 3,271,665 | 6,071,193 |
| (Previous Year) | 5,909,859 | 42,461,758 |
| Purchases | 703,000 | 14,060,000 |
| (Previous Year) | 861,639 | 52,867,445 |
| Sales | 647,185 | 4,620,996 |
| (Previous Year) | 3,499,833 | 78,022,152 |
| Closing Stock | 3,345,026 | 9,761,700 |
| (Previous Year) | 3,271,665 | 6,071,193 |

As per our report of even date attached

FOR M. M. GOYAL & CO.

Chartered Accountants

Firm Registration No.007198N

(MANMOHAN GOYAL)

Partner

Membership No.:086085

FOR PMC FINCORP LIMITED

(R. K. MODI)

Managing Director

DIN:01274171

(REKHA MODI)

Director

DIN:01274200

Place : New Delhi

Date : 30.05.2017

(VIJAY KUMAR YADAV)

Chief Financial Officer

PMC Fincorp Limited

Regd. Office: B-10, VIP Colony, Civil Lines, Rampur - 244901 (U.P.)
Corp. Office: 14/5, Old Rajender Nagar, New Delhi - 110060
Tel No.: 011 - 42436846, Email Id: prtimercantile@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]

32nd ANNUAL GENERAL MEETING
SATURDAY, 23RD SEPTEMBER, 2017, at 12:30 P.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 32nd Annual General Meeting of the members of the Company, to be held on Saturday, 23.09.2017 at 12:30 P.M. at MoodFood Restaurant, Opposite Ambedkar Park, Civil Lines, Rampur, Uttar Pradesh - 244901 and at any adjournment thereof in respect of such Resolutions listed overleaf/annexed.

Signed on this _____ Day of September, 2017

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, 2017. | | |
| 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. | Appointment of Sunil K. Gupta & Associates, Chartered Accountants as the Statutory Auditors of the Company to hold office till the conclusion of the 37th Annual General Meeting, subject to ratification by members at every Annual General Meeting. | | |

Signed this day of September, 2017

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 32nd 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

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

Corp. Office: 14/5, Old Rajender Nagar, New Delhi - 110060

Tel No.: 011 - 42436846, Email Id: prtimercantile@gmail.com Website : www.pmcfinance.in

CIN: L27109UP1985PLC006998

ATTENDANCE SLIP

32ND ANNUAL GENERAL MEETING

Saturday, 23rd September, 2017, at 12:30 P.M.

at MoodFood Restaurant, Opposite Ambedkar Park,
Civil Lines, 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

PMC Fincorp Limited

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

Corp. Office: 14/5, Old Rajender Nagar, New Delhi - 110060

Tel No.: 011 - 42436846, Email Id: pritimercantile@gmail.com Website : www.pmcfinance.in

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.

