

TRANSCRIPT OF THE PROCEEDINGS OF THE 38TH ANNUAL GENERAL MEETING OF PMC FINCORP LIMITED HELD THROUGH VIDEO CONFERENCING ON THURSDAY, SEPTEMBER 14, 2023 AT 11.00 A.M

PARTICIPANTS

- 1) Shri. Rekha Modi**
Non-Executive Director
- 2) Mr. Raj Kumar Modi**
Managing Director
- 3) Mr. Prabhat Modi**
Whole Time Director-Chairman for this AGM
- 4) Mr. Yogesh Kumar Garg**
Independent Director
- 5) Mr. Mahavir Prasad Garg**
Independent Director
- 6) Ms. Deepali Sehgal Kulshreshta**
Independent Director
- 7) Mr. Chandresh Kumar Sharma**
Chief Financial Officer
- 8) Mr. Pankaj Gupta**
Partner of M/s. Pankaj Gupta & Co., Statutory Auditor
- 9) Ms. Anamika Bhola**
Partner of M/s Anamika Bhola & Associates, Scrutinizer of the Company.

Mr. Kailash :-

Dear Members.... Good morning! The time is 11:00 AM now.

On behalf of The PMC Fincorp Limited, I Kailash, Company Secretary, I welcome you all to the 38th Annual General Meeting i.e. AGM of your Company.

In view of relevant circulars issued by the Ministry of Corporate Affairs and SEBI, the 38th Annual General Meeting of the Company is being conducted through Video Conferencing facility on WebEx platform (VC). The Venue of AGM shall be deemed to be the Registered Office of the Company.

Before we start the proceedings of this AGM, I would like to take you through certain points regarding the process to participate at this meeting through Video Conference i.e. VC. The facility to join this AGM through VC has been made available for members on first come first served basis.

- The members who have joined this meeting by default are kept on mute mode, to avoid any disturbances arising from background noise and enjoy seamless conduct of this meeting. We have some shareholders who have registered themselves as speakers, which we will take up in later part of this meeting. Apart from that, if any shareholder would like to ask any question, please write the same in your chat box, which will be answered in the question & answer session in the best possible manner.
- The proceedings of this meeting are being recorded. During the meeting, the participants would be on mute.
- The Company has availed the facility of web casting of this AGM from NSDL.
- The facility of remote e-voting prior to the AGM as well as the e- voting during the AGM is also being provided by NSDL.
- The meeting has opened 30 minutes prior to its scheduled time and will remain open for 15 minutes after the meeting is over.

- Members are advised to join the meeting by using their laptops and headphones with an internet connection having a better speed to avoid any interruption or disturbance during the Meeting.
- As mentioned in the notice, the facility of participation at the AGM through VC has been made available.
- As you all know, this Meeting is held through the VC, the provisions pertaining to Proxies are not applicable.
- We had given an opportunity to the shareholders to register themselves as speakers and ask any questions till **September 09, 2023**, by sending email at Company's dedicated email id i.e. compliances@pmcfincorp.com or investorrelations@pmcfincorp.com
- We have received requests from 11 shareholders and accordingly plan to give them an opportunity to speak. The names of such shareholders will be called during the course of the Meeting.
- The facility to inspect the documents by the Members is also available during the Meeting, on logging on to the website of the NSDL viz., <https://www.evoting.nsdl.com/>
- The Company had provided members the opportunity to cast their vote(s) on the resolutions contained in the AGM Notice, by means of remote e-voting.
- The remote e-voting commenced on **Monday, 11th September, 2023 at 09.00 a.m.** and closed on **Wednesday, 13th September 2023 at 5.00 p. m.**
- Members present at the Annual General Meeting today may cast their votes through voting on e-voting platform of NSDL.
- The e-voting platform is open now for voting and will close after 15 minutes from the time of closure of this meeting.
- During the AGM, if any member faces any issue or requires any assistance relating to e-voting or VC, he or she may contact the helpline number as mentioned in the AGM Notice.

- The Company have appointed Ms. Anamika Bhola, Partner of M/s Anamika Bhola & Associates, Practicing Company Secretaries, as the scrutinizer to scrutinize the votes casted through remote e-voting and e-voting during this AGM.
- The scrutinizer will scrutinize the voting results and submit the report within two working days. The results of the voting will be announced by posting it on the website of the Company at www.pmcfincorp.com, website of stock exchanges i.e. BSE on www.bseindia.com and on the website of NSDL.

The Company has made all efforts feasible to enable the members to participate at the meeting through the VC and vote electronically.

I now request Chairman Sir for the AGM to formally commence the proceedings.

Mr. Prabhat Modi-Chairman

I confirm that the requisite quorum is present, hence, I now declare the Meeting to be in order and open.

Mr. Kailash-Company Secretary

I take pleasure in introducing the Board of Directors of the Company and other respected dignitaries:

- 1) Shri. Rekha Modi
Non-Executive Director
- 2) Mr. Raj Kumar Modi
Managing Director
- 3) Mr. Prabhat Modi
Whole Time Director-Chairman for this AGM
- 4) Mr. Yogesh Kumar Garg
Independent Director
- 5) Mr. Mahavir Prasad Garg
Independent Director
- 6) Ms. Deepali Sehgal Kulshreshta
Independent Director

7) Mr. Chandresh Kumar Sharma
Chief Financial Officer

8) Mr. Pankaj Gupta
Partner of M/s. Pankaj Gupta & CO., Statutory Auditor

9) Ms. Anamika Bhola
Partner of M/s Anamika Bhola & Associates., Scrutinizer

Notice of this AGM along with the Annual Report for the financial year 2022-23 containing the audited standalone financial statements for the year ended March 31, 2023 along with the reports of the Board of Directors and Auditors thereon have been emailed within the statutory period to all the shareholders whose email IDs are registered with their respective depository participants or the Company or with the Registrar and Transfer Agent, Indus Portfolio Private Limited.

I now request our honourable Director, Mr. Prabhat Modi, to address the members.

Mr. Prabhat Modi :-Dear Shareholders, Ladies & Gentlemen,

Very Good Morning to all of you!

I warmly welcome each one of you to the Thirty Eight Annual General Meeting of your Company. It is always a pleasure to connect with you all, and although virtual it is a privilege to host you today.

I am sure that, all of you have gone through the Annual Report for FY 2022-23. In this Annual Report, we have tried to lay out our performance, its phases and outlook of the Company.

The Directors' Report and the Audited Accounts for the Financial Year ended 31st March, 2023 have been with you and, with your consent, I shall take the Notice of this 38th AGM (On page no. 4) and the Board's report (on page no. 20) which has been circulated to all shareholders, as read.

The secretarial auditor's report is enclosed as Annexure II to the Board's report on page number 31 of the Annual Report. I shall take them as read.

The Statutory Auditor's report on the Standalone financial statements is available on page numbers 61 of the Annual Report. The Statutory Auditor's report on the financial statements of the Company for the financial year ended 31st March, 2023 do not contain any qualifications, observation, comments, or any other remarks. These are also being taken as read.

Before I speak to you about the performance of your company, let me briefly touch upon the current trends prevailing in the economic scenario.

Economic Scenario

In FY2023, the Indian economy was facing challenges on multiple fronts. The consumer inflation was on the rise, inching beyond the RBI's tolerance range, and remaining above it for an extended period. This induced the RBI to follow in the footsteps of its global peers by raising interest rates and reducing excess liquidity in the banking system. Other major areas of concern arose in the form of elevated commodity prices leading to rising Current Account Deficit (CAD) and depreciation of the Indian rupee, and domestic weather conditions like excessive heat and unseasonal rains keeping food prices high. However, despite these challenges, India emerged as the fastest growing major economy in the world with a GDP growth of 7% in FY2023.

The capital markets were particularly dynamic in the Financial Year 2022-23 following major events such as the Ukraine war, persistent rise in core inflation, central bankers turning hawkish, and liquidity crunch in banks in developed nations. However, the start to financial year 2023-24 has been promising. A granular analysis of the Indian markets reveals that the best performing sectors were FMCG, defence, auto, and banking while the worst performers were pharma, metals, realty, and IT. The strong start to the financial year 2023-24 has been backed by consecutive monthly foreign buying.

Outlook

NBFCs have become an important constituent of the Indian economy, having recorded a higher credit growth than scheduled commercial banks over the past few years. This can be attributed to specialised nature of each NBFC providing customised products as per needs of its target markets. Further, lower transaction costs, quick decision making, and better customer orientation have also aided this shift. The growing importance of NBFCs is also reflected in rising proportion of

credit to GDP. This is particularly impressive, given the Covid-19 shock experienced by the industry over an extended period in the last few financial years. Picking up on this trend and our expertise in the capital markets segment, we announced earlier in this financial year 2023-24 that we have launched 'Loan Against Securities' to cater to the growing base of retail investors in India. This shall allow us to focus and grow a core segment within the company. As reflected in our financials, we have invested in the capital markets and constantly optimising our equity portfolio to generate higher returns. This increased focus on our own portfolio, and interaction with other market participants allowed us to identify the gaps and issues faced by retail and other smaller institutional investors with respect to monetising their equity holdings in time of need. While we acknowledge the presence of marquee names such as Bajaj Finance, IIFL Finance, Mirae Asset Finance among others providing this product, the market is still in its nascent stages in line with the capital markets of India, which is on track to have a dominant performance globally over the next few decades. Further, as we entrench ourselves in the capital markets and its supply chain, we shall launch new products and keep optimising our own equity portfolio to provide the growth engines for our company to reach new heights.

Financial Performance

The Company's revenues were Rs. 905.04 Laks in FY23. The company reported a loss for FY23 at Rs. (636.39) Laks. With respect to performance, I would like to mention that our lending operations functioned smoothly in FY23, as reflected in the segregated results of FY23. I would like to state that it was the first year for the company's realignment towards the capital markets and given the dynamic nature, we faced challenges initially. However, learning from our mistakes, we have optimised our market positioning this year, and it has provided our balance sheet and profit & loss further strength. We recognised and realigned our portfolio towards defence, railways, telecommunications, PSUs and we can expect the gains to start reflecting in our results from the current year, FY24.

ACKNOWLEDGEMENT

I thank you to all my shareholders, for their continued trust, encouragement and unequivocal support to the Company and its Management, thanks for staying invested in PMC Fincrop limited.

Also, I would like to express my gratitude towards our Board Members for their constant guidance and support in our pursuit of maximizing long-term shareholder

value. I must acknowledge the significant contribution of our employees, customers, and all stakeholders for their laudable efforts to maintain business continuity in this tough and uncertain environment.

Thank you All.....Stay Healthy Stay Blessed.

Mr. Kailash-Company Secretary

In terms of the provision of the Companies Act, 2013, and SEBI's listing regulations, members holding shares as on **September 8, 2023**, are entitled to exercise voting on the resolutions contained in the notice dated August 17, 2023. Shareholders holding shares as on the cut-off date were provided option to cast their votes remotely from September 11, 2023 from 9 a.m. to September 13, 2023 up to 5 p.m., by logging into the e-voting platform of NSDL.

In view of remote e-voting and as per standard 7.1 of the Secretarial Standard on General Meetings, proposing and seconding the following resolutions is not required.

There are total 4 resolutions to vote. Before putting the resolution to vote, I would like to brief you on the resolutions.

Ordinary Business:

Resolution No. 1: To receive, consider and adopt the Audited Standalone Financial Statements of the Company for the Financial Year ended March 31, 2023 together with the Reports of the Board of Directors and the Auditors thereon.

Resolution No. 2: To appoint a director in place of Mr. Raj Kumar Modi (DIN: 01274171), Director of Company who retires by rotation and being eligible offers himself for re-appointment.

Special Business

Resolution No. 3: Appointment of Ms. Deepali Sehgal Kulshrestha (DIN: 10192105) as Non-Executive, Independent Director of the Company

Resolution No. 4: Re-Appointment of Mr. Mahavir Prasad Garg (DIN: 00081692) as Non-Executive, Independent Director of the Company w.e.f. February 14, 2024.

E-voting is now open and Members may please go to the page of E-voting NSDL and cast their vote and at the same time watch proceedings of the meeting. The e-voting facility will remain open up to 15 minutes after the conclusion of this meeting to enable Members to cast their vote. Instructions for casting vote electronically during the Annual General Meeting forms part of the Annual General Meeting Notice.

Chairman:-

I would like to invite queries from the members on the above business items. I request the Company Secretary to moderate the queries from the members.

Company Secretary:-

Thank you, Chairman Sir.

We will now unmute the members who have registered themselves as speakers. Members are requested to ask their queries when called for. Members are requested to keep their queries short to provide equal opportunities to other members.

To avoid repetition, the answers to all the questions will be provided towards the end. Members may also note that the Company reserves the right to limit the number of members asking questions depending on the availability of time.

Now I request the first speaker to put forth the question.

1 So First I would like to start with **Mr. Sudipta Chakraborty**: My Name is Sudipta Chakraborty and I am a small shareholder of PMC Fincorp, I am grateful to my board of directors, shareholders and company secretary to give me chance to speak on this platform, I believe in the company and it is in strong hand and future will be good and management will work honestly, PMC is dark horse in the market it is lost sir but I have full trust on the management, and I casted my vote with my family members in the favour of resolutions, and I want to say sir, we had not got any dividend, and appreciation for allowing

	<p>us as speakers. Ms. Indrani Chakraborty is also with me and she is also a speaker. Thank you.</p> <p>Mr. Kailash: Thank You so much Sir!</p>
<p>2</p>	<p>Next speaker is Ms. Indrani Chakraborty: Yes, I am Indrani Chakraborty; Due to technical problem voice of Ms. Indrani Chakraborty was not audible during the AGM but after some time voice was audible. She said I believe the company will work in the better form for the coming future. Have nice day sir. Mr. Kailash: Thank You so much Ma'am!</p>
<p>3</p>	<p>Next speaker is Mr. Ajay Kumar Jain: Good morning to all the management as a dedicated shareholder of PMC Fincorp, I am honoured to address and speak in the front of you at the AGM, it is a truly inspiring to witness the journey of the company, and PMC Fincorp's unwavering commitment to the financial Sector over the years, PMC Fincorp has had exceptional growth in financial sector and focus on innovation and ability to navigate financial landscape and provide value and deep dive sector has come of success. I have small question for the board of management, as mentioned earlier in the speech, can the board share the industry wise split in the portfolio and what we are doing when a sector does not perform well at the end in the ever-changing financial landscape, we must be agile and active. Also, let us continue to promote ethical practice and responsible lending as we move forward to ensure that PMC Fincorp remain partner in the financial world, thanking for the attention and I support all the Resolutions.</p> <p>Mr. Kailash: Thank You so much Sir!</p>
<p>4</p>	<p>Next speaker is Mr. Pramod Kumar Jain: I, Mr. Pramod Kumar Jain attending this AGM from Delhi and thanks to all the management, board of directors and company secretary, today I will not ask any question from the Management because I have trust on my Company and Management and I again to thanks CS Secretarial Team who invited us as a speaker in this AGM and gave a chance to participate in this AGM. Thanks so much.</p> <p>Mr. Kailash: Thank You so much Sir!</p>

5	<p>Ushadevi V : I am Ushadevi V, my first question is warrant conversation update in this meeting and also two non-promoters whose amounts are outstanding and due date is coming then what is the status of that and last year company is given 1 cr profit but not paid dividend and company has large reserves but profit is very less than FD also and next what is the new business progress sir please explain in this meeting, next is extra expenditure is looking high and salary is more than and last financial year in last quarter showing 10 Cr. Loss showed kindly explain the reason.</p> <p>Mr. Kailash: Thank You so much Sir!</p>
6.	<p>Next speaker is Mr. Praveen Kumar:</p> <p>Good afternoon to my respected chairperson for this Meeting well decorated Board of Directors and Shareholders of this meeting held on line, myself Praveen Kumar attending this meeting from Delhi, I have few observations which I want share, thanks to respected Chairperson for your very in-depth address to shareholders. Sir it was very informative from a retail investor prospective and sir I am with the company for 25 years, and I respect our founder and director, Mr. Raj Kumar Modi sir because he has dedicated time to stable growth rate for retail investors like me sir, I am very thankfully to be part of company and my wishes with the management and Company. I always supported all the resolutions which are set out in the Notice today I thank all and company secretary for the best compliances and corporate governance. My best wishes for the company to get best results in the futures, thanks.</p> <p>Mr. Kailash: Thank You so much Sir!</p>
7.	<p>Next speaker is Mr. Anshul Arya:</p> <p>I called his name number of times, Anshul Arya for the speaker in the AGM, but the shareholder did not speak and did not present his views before the members at the AGM.</p>
8.	<p>Next speaker is Mr. Shiva Krishna Vara Prasad Narkatpally:</p> <p>Good morning, I am audible, myself Shiva Krishna Vara Prasad I would thanks to PMC for the opportunity to express my views to the company. And congratulate to Mr. Prabhat who holding as chairman position I need younger generation to takeover in the Company , I have few queries, my first query is warrant conversion we need exact answers when company is going to get the</p>

money, and next questions is share price is very low and why promoter is not investing in the Company and acquiring a stake in the company when having good results in hand, and why company is not giving dividend to the shareholders like me and I had more than 2 % stake in the company, I communicate with my friends who have total of 6 % stake in the company but why the company is not paying the dividend, people are working in the management are not working in the favour of shareholders and next question is I am not seeing any efficient people in the board because 38th AGM we are conducting our company is like penny stock when it was coming in the share market it was one of the premium group A group company now it is a B group why degradation happen in the company and what happened of the new business and company having extra expenditure in every quarter, why is it, and what about NSE listing, which you are promising every year, please give accurate answer for the this question and I want accurate answer.

Mr. Kailash: Thank You so much Sir!

9 Next speaker is Shashi Jain

Respected Chairman Sir, board of directors and shareholders, I Shashi Jain I am shareholder, joining this meeting from Delhi sir I would thanks to chairman and Mr. Kailash company secretary who explain about the company in very better and transparency manner and gave good information to the all shareholders, and many shareholder's friend who raised number of queries before the management and my query was same but my other query is what is the strategy of the Company for the future and that when company can declare dividend and company had paid bonus and splited the shares number of years ago and so when company will declare dividend and when company will come in the good position so that they can pay dividend, and what is the company planning for the right issue then we can invest in the company and revenue will increase in the Company and I support all the resolution of the AGM Thanks to all.

Mr. Kailash: Thank You so much Sir!

10 Next speaker is J.Abhishek:

Mr. J. Abhishek was present in the AGM but he did not ask any questions before the board in the Annual General Meeting, I called his name but no reply was received. Now after that I called last speaker name in the AGM.

11.	<p>Next speaker is Narender Singh Chauhan:</p> <p>Narender Singh Chauhan was present in the AGM but he did not ask any question before the Members in the Annual General Meeting, we called his name but no reply was received.</p>
<p>That's all with the speakers, we can move ahead with the proceedings of the meeting. May I now request Shri Prabhat Modi ji, Whole Time Director to reply to queries of the members.</p> <p>Chairman replied all the queries</p> <p>Firstly, I have noted all your queries, and I am going to answer them sequentially, so First shareholder Mr. Sudipta Chakraborty & Ms. Indrani Chakraborty: thanks for your vote and confidence and with respect to your query regarding dividend, I will answer it at the end of session with all other queries.</p> <p>Now 2nd Shareholders Mr. Ajay Kumar Jain: thank you Mr. Ajay Kumar Jain ji, for your vote of confidence, with respect to your questions regarding our financial portfolio, this financial year we are focusing heavily on defence PSUs, railways stocks and also telecommunications equipment's like wires and cables and other equipment makers and service providers in the communications sectors, as you might know that India and the rest of the world is going through a 5G wave, we are very positive on the telecommunications equipment sector, we have also invested in smaller and regional banks. All these investments have provided very good appreciation this year and you will see those gains in the results in the following quarters;</p> <p>Now 3rd Mr. Pramod Kumar Jain ji, thank you Mr. Pramod Kumar Jain ji, for your vote of confidences it is a pleasure that you are a part of this Company.</p> <p>Now USHADEVI ji: I will be take Mr. Usha devi's and Mr. Shiva's questions together, since there are overlapping questions, before that I would like to thank Mr. Praveen Kumar ji for his vote of appreciations and vote of confidence, now answering questions from Mr. Usha Devi ji and Mr. Shiva ji and Sudipta ji regarding dividend, first question warrant conversion so as you all know our company issued warrants to promoters and non-promoters in March, 2022 and the time period for the conversion is 18 months and 18 months will be completed in this months, before the expiry of time we cannot promise when will the conversion</p>	

of warrants happen, as time has not lapsed yet, and company has issued reminder notice to non-promoters for the conversion on or before due date, and whenever we will receive the amount or not from warrant holders then we will give disclosure to our stakeholders through BSE, second question regarding profit growth and share price appreciation, Ms. Usha Devi ji rightly said that last 8 years company has generated low profit, but if you notice, in the previous quarter ended June 30, 2023 we generated profit of INR 2.5 crores, which is equivalent to our earlier yearly profits. Also, you can expect healthy profits in the coming quarters. With regards to more expenses, so you can see in the profit and loss account of the company that loss in investments last year is the major component, and general expenses have increased only marginally on account of salary and general expenses. Now with respect of dividend, for a company like ours, we are focusing on investing in new segments such as the capital markets for growth and intend to reward shareholders through stock price appreciation. If we declare dividend at this stage, then company's investable capital will reduce and we will not be able to invest in future growth, so it is always a choice for a company to declare dividend or invest for future growth. We will decide to declare dividend to reward the shareholders, when we feel that the company does not have better investment opportunities for its future growth. Now as we informed you earlier this year, we are going to start new business, Loan against Shares (LAS). As we are shifting our focus on capital markets, we are identifying new opportunities where we can invest for sustainable future growth.

With respect NSE Listing, as you know that there are numbers of requirements for direct listing on the NSE Platform and currently we do not satisfy the requirements of NSE listing. But in future when we satisfy all the requirements of NSE listing, we shall go ahead for achieving that milestone also.

Now as all shareholders queries have been replied to, I now request Kailash to continue the meeting.

Company Secretary Kailash: thanks sir, as all the queries have been responded and clarified, the business of the meeting is now complete.

This brings us to the end of this meeting. Before I announce conclusion of this meeting, members who have still not voted on resolutions are requested to cast their votes on NSDL e-voting system. The detailed process of voting is already mentioned in the AGM notice. Let me remind you that voting will close after 15 minutes from the time of closure of this meeting now.

The Board of Directors has appointed Ms. Anamika Bhola., Practicing Company Secretaries, as a scrutinizer to supervise the e-voting process.

The resolutions as set forth in the notice shall be deemed to be passed today subject to the receipt of the requisite number of votes.

I express my sincere thanks for your support and co-operation. I would also like to thank all our esteemed Board Members and also to my fellow colleagues. Now I request Chairman to formally declare meeting as Concluded.

The timer for enabling the e-voting will start now.

Commencement of E-voting - will flash on the screen.

End of E-voting - will flash on the screen.