

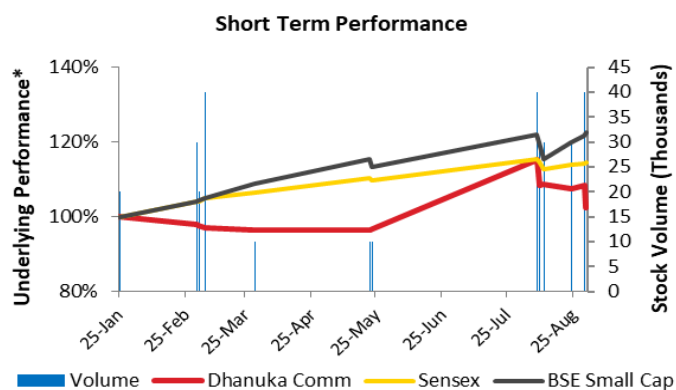
Dhanuka Commercial Ltd.

Dhanuka Commercial Ltd. | BSE Code: 538446 | Market Data as on Date: 31 Aug 2017

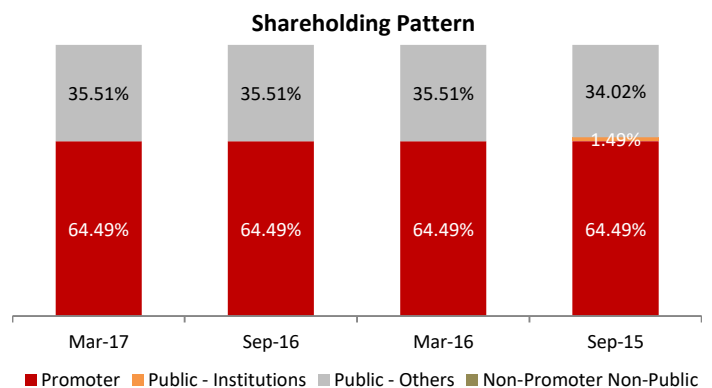
Current Price (₹)	8.70	Market Cap (₹ Crores)	14.57	Book Value (₹)	11.37
52 Week High (₹)	9.80	Shares Outstanding	1,67,43,459	P/B Ratio	0.77
52 Week Low (₹)	8.20	Beta - Sensex	1.21	Earnings Per Share (₹)	-
Face Value per Share (₹)	10.00	Dividend Yield (%)	-	P/E Ratio	-

Company Info:

Dhanuka Commercial Limited, a non-banking financial company, engages in advancing loans and investing/trading in securities in India. The company offers unsecured loans to individuals, and small and medium enterprises. It also provides inter corporate deposits to companies for short/long term financing; and bridge loans for short term working capital requirement. The company was incorporated in 1994 and is based in New Delhi, India.



*Underlying price standardized based on starting stock price



CORPORATE GOVERNANCE

BOARD AND BOARD COMMITTEES (ANNUAL REPORT 2016-17)

	Members	Chairman	Independence	Meetings
Board	5	Executive Director (Promoter)	40%	9
Audit Committee	3	Independent Director	67%	4
Stakeholders Relationship Committee	3	Independent Director	33%	4
Nominations & Remuneration Committee	2	Independent Director	100%	2

The Board comprises of 5 Directors including 2 Executive and 3 Non-Executive Directors, of which 2 are Independent Directors. The chairman of the Board is a Promoter Executive Director. The Company has stated that "The compliance certificate confirming compliance with conditions of Corporate Governance as stipulated under Para E of Schedule V to SEBI (LODR) Regulations, 2015 were not applicable to the company."

BUSINESS OVERVIEW (AS STATED BY THE COMPANY)

Opportunities & Threats – The company has made its niche market in the unsecured funding sector thereby reduces competition to itself and wide experience of our directors and management in the finance and securities market can create opportunities for the company even in the conditions not favourable to the company. The company has in its loan portfolio small and medium enterprises which are the backbone of the country and the company as well. The market conditions of Indian economy were in improvement phase and coupled with innovative ideas and techniques the company can introduce several new instruments and products in the loan segment which can create opportunities to the company in future. From the above, the management is of the view that the company has enough opportunities to explore in the current year and in the years to come. Competition from local and multinational players, Regulatory changes, Asset quality and Attraction and retention of human capital.

Risks & Concerns - The company has inbuilt risk of “default in unsecured loans provided to the customers” and “risk in dealing in securities market” due to its nature of business apart from other common risks which includes change in management/personnel and policies, lapses / inadequacy in existing infrastructure facilities, delinquencies on the part of employees, staff attrition, misfeasance, change in interest rates, government regulations, competition from others operating in similar business, etc. The Company is taking proactive steps in implementing management principles well adapted to the demands of the changing environment. The company has the policy of assess the risk and manage the business. The company is operating on a well-defined plan and strategy; hence we are equipped to face any change in regulatory risk.

INDUSTRY OVERVIEW (AS STATED BY THE COMPANY)

India has a diversified financial sector undergoing rapid expansion, both in terms of strong growth of existing financial services firms and new entities entering the market. The sector comprises commercial banks, insurance companies, non-banking financial companies, co-operatives, pension funds, mutual funds and other smaller financial entities. NBFCs would continue to expand in small ticket loans, where banks are clearly less efficient because of their high operating cost structures and somewhat rigid processes would find it difficult to significantly penetrate these segments. Additionally, NBFCs’ flexibility of loan structuring provides an advantage to them in this segment. The Government of India has introduced several reforms to liberalise, regulate and enhance this industry. The Government and Reserve Bank of India (RBI) have taken various measures to facilitate easy access to finance for Micro, Small and Medium Enterprises (MSMEs). The government’s drive to integrate informal economy into the formal segment and reduce unaccounted income, and digital push, if followed through, can significantly change operating dynamics for NBFC’s.

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