



To,

August 22, 2023

**The Manager
BSE Limited
P. J. Towers, Dalal Street
Mumbai – 400001**

Scrip Code: 534060

Subject: Annual Report for the Financial Year 2022-23 along with Notice of 38th Annual General Meeting (“AGM”) of the Company

Dear Sir/Madam,

Pursuant to Regulation 34(1) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we herewith enclose the electronic copy of the Annual Report of the Company for the Financial Year 2022-23 along with the Notice of 38th Annual General Meeting (AGM) of the Company which is scheduled to be held on Thursday, September 14, 2023 at 11:00 a.m. (IST) through Video Conferencing ("VC") / Other Audio - Visual Means ("OAVM") in accordance with the relevant circulars issued by the Ministry of Corporate Affairs (MCA) and the Securities and Exchange Board of India (SEBI) which is sent to all the members whose email IDs were registered with the Company / Depository Participant(s)/ Registrar and Transfer Agents (RTAs).

The Annual Report of the Company for the financial year 2022-23 along with the Notice of 38th AGM of the Company is also uploaded on the website of the Company at www.pmcfincorp.com

Also, for the convenience of shareholders, Notice of 38th AGM is uploaded separately on the website of the Company at www.pmcfincorp.com

Please find below the attached Annual Report of the Company for the Financial Year 2022-23

You are requested to kindly take the same on your records.

For PMC Fincorp Limited

**Kailash
Company Secretary & Compliance Officer
Membership No.: ACS 51199**

Encl: As Above



PMC Fincorp Limited

ANNUAL REPORT

2023



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38th ANNUAL GENERAL MEETING	
DATE	14th September, 2023
DAY	Thursday
TIME	11:00 A.M.
MODE	Through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM")



CORPORATE INFORMATION

<u>BOARD OF DIRECTORS</u>		
Mr. Raj Kumar Modi	DIN : 01274171	Managing Director
Mrs. Rekha Modi	DIN : 01274200	Non-Executive Director
Mr. Prabhat Modi	DIN : 08193181	Whole Time Director
Mr. Mahavir Prasad Garg	DIN : 00081692	Independent Director
Mr. Yogesh Kumar Garg	DIN : 02144584	Independent Director
Mr. Abhay Kumar	DIN : 09412231	Independent Director (Cessation w.e.f. 23-03-2023)
Mr. Satyam Jaiswal	DIN : 09282921	Independent Director (from 31-03-2023 to 20-06-2023)
Ms. Deepali Sehgal Kulshrestha	DIN : 10192105	Independent Director (Appointed w.e.f. 19-06-2023)
<u>STATUTORY AUDITORS</u> M/s Pankaj Gupta & Co. Chartered Accountants, Firm Registration No.002154N 1, Anand Vihar, Basement Floor, Pitampura, Delhi 110034		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 Chartered Accountants, Firm Registration No.019302N 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 Ltd.		<u>REGISTRAR & SHARES TRANSFER AGENT</u> Indus Portfolio Pvt. Ltd. G-65, Bali Nagar, New Delhi - 110 015 Phone : 011-47671214, 47671211, 47671206 E-mail : rs.kushwaha@indusinvest.com
<u>REGISTERED OFFICE</u> B-10, VIP Colony, Civil Lines, Rampur - 244901 (U.P.)		<u>CORPORATE OFFICE</u> 201 & 202 Second Floor Rattan Jyoti Building, 18, Rajendra Place, New Delhi-110008.
<u>COMPANY SECRETARY</u> Mr. Kailash		<u>CHIEF FINANCIAL OFFICER</u> Mr. Chandresh Kumar Sharma
CONTACT DETAILS		
Tel : 011 - 47631025, 26, 27 Email : compliances@pmcfincorp.com Website : www.pmcfincorp.com		

IMPORTANT COMMUNICATION TO THE MEMBERS

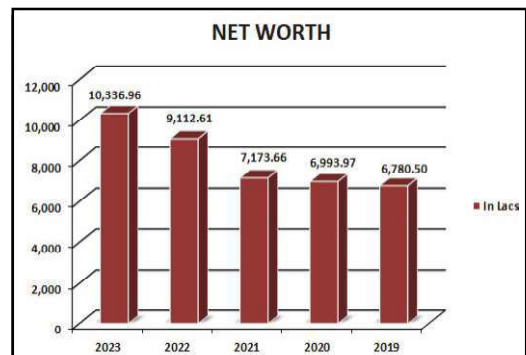
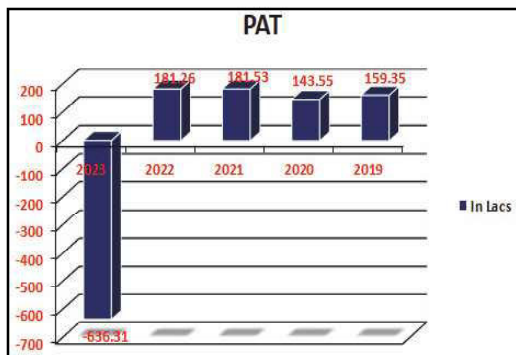
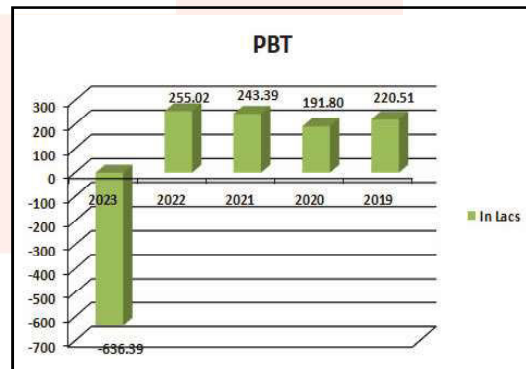
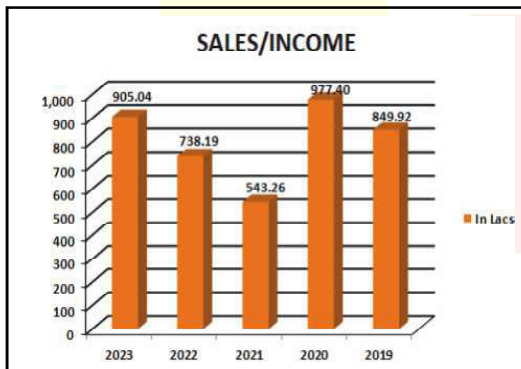
The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the Companies and has issued circulars stating that service of Notice / documents including Annual Report can be sent by e-mail to its members. To support this green initiative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



LAST FIVE YEARS AT A GLANCE

(₹ in Lacs)

Sl. No.	Particulars/Financial Year	2022-23	2021-22	2020-21	2019-20	2018-19
1	Sales/Income from operation	905.04	738.19	543.26	977.40	849.92
2	PBT	-636.39	255.02	243.39	191.80	220.51
3	Tax/Deferred Tax	-0.08	73.76	61.26	48.25	61.15
4	PAT	-636.31	181.26	181.53	143.55	159.35
5	Total Comprehensive Income	-627.81	218.92	180.77	204.10	—
5	Dividend	—	—	—	—	—
6	Equity Capital	5340.61	5090.61	5090.61	5090.61	5090.61
7	Reserve & Surplus	4996.34	4022.00	2083.05	1903.36	1697.90
8	Net Worth	10336.96	9112.61	7173.66	6993.97	6788.51
9	Book Value (₹1/- per share)	1.94	1.79	1.41	1.37	1.33
10	EPS (₹1/- per share)	-0.12	0.04	0.04	0.04	0.03





NOTICE

Notice is hereby given that the 38th Annual General Meeting of the Members of **PMC FINCORP LIMITED** will be held on **Thursday, the 14th day of September, 2023 at 11:00 A.M.** (IST) for the transaction of the following businesses, through Video Conferencing ("VC")/Other Audio-Visual Means ("OAVM") in conformity with the regulatory provisions and the Circulars issued by the Ministry of Corporate Affairs, Government of India:-

ORDINARY BUSINESS:

1. Adoption of Audited Financial Statements of the Company

To consider and adopt the Financial Statements of the Company consisting of the Standalone Balance Sheet, Statement of Profit and Loss Account and Cash Flow Statement for the Financial Year Ended 31st March, 2023 and the Reports of the Board of Directors and Auditors thereon.

2. Appointment of Mr. Raj Kumar Modi (DIN: 01274171) as a Director Liable to Retire by Rotation

To appoint a Director in place of Mr. Raj Kumar Modi (DIN: 01274171), who is liable to retire by rotation in terms of Section 152(6) of the Companies Act, 2013 and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

3. Appointment of Ms. Deepali Sehgal Kulshrestha (DIN: 10192105) as Non-Executive, Independent Director of the Company.

To consider and if thought fit, to pass, with or without modification(s), the following resolution as **Special Resolution**

"**RESOLVED THAT** pursuant to provisions of sections 149, 152, 161 and any other applicable provisions of the Companies Act, 2013 (the 'Act'), including the Rules made thereunder read with Schedule IV to the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014 the Companies (Amendment) Act, 2017 (including any statutory modification(s) or re-enactment thereof for the time being in force), relevant applicable regulation(s) as amended from time to time and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, who meets the criteria for independence as specified in Section 149 (6) of the Act and Regulation 16 (1) (b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and who was appointed by the Board of Directors, based on the recommendation of Nomination and Remuneration Committee and who being eligible for appointment as an Independent Director and in respect of whom the Company has received a notice in writing from a member under Section 160(1) of the Act proposing her candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a First term of 5 (five) consecutive years, effective from June 19, 2023 to June 18, 2028 (both days inclusive) and that she shall not be liable to retire by rotation.

RESOLVED FURTHER THAT the Board of Directors of the Company and Mr. Kailash Company Secretary & Compliance officer be and are hereby severally authorised to do all such acts, deeds and things, as it may, in its absolute discretion, consider necessary, expedient, or desirable in order to give effect to this resolution."

4. Re-Appointment of Mr. Mahavir Prasad Garg (DIN: 00081692) as Non-Executive, Independent Director of the Company.

To consider and if thought fit, to pass, with or without modification(s), the following resolution as **Special Resolution**

"**RESOLVED THAT** pursuant to provisions of sections 149, 152, 161 and any other applicable provisions of the Companies Act, 2013 (the 'Act'), including the Rules made thereunder read with Schedule IV to the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014 as amended from time to time and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Mr. Mahavir Prasad Garg (DIN: 00081692), who was appointed as an Independent Director of the Company for a term of 5 (five) consecutive years commencing from February 14, 2019 to February 13, 2024 and who meets the criteria for independence as specified in Section 149 (6) of the Act and Regulation 16 (1) (b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and who was appointed by the Board of Directors, based on the recommendation of Nomination and Remuneration Committee and who being eligible for re-appointment as an Independent Director and in respect of whom the Company has received a notice in writing from a member under Section 160(1) of the Act proposing him candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company to hold office for a second term of 5 (five) consecutive years, effective from February 14, 2024 to February 13, 2029 and that he shall not be liable to retire by rotation.



RESOLVED FURTHER THAT the Board of Directors of the Company and Mr. Kailash Company Secretary & Compliance officer be and are hereby severally authorised to do all such acts, deeds and things, as it may, in its absolute discretion, consider necessary, expedient, or desirable in order to give effect to this resolution."

By Order of the Board
For PMC FINCORP LIMITED

Place : New Delhi
Date : 17.08.2023

(KAILASH)
Company Secretary
Membership No. A51199

NOTES:

1. The Ministry of Corporate Affairs ("MCA") has, vide its circular no. 10/2022 dated 28th December, 2022 read together with circular nos. 20/2020, 21/2021 and 02/2022 dated 5th May, 2020, 14th December, 2021 and 5th May, 2022 respectively (collectively referred to as "MCA Circulars"), permitted convening the Annual General Meeting ("AGM") due in the year 2023 through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM"), without physical presence of the members at a common venue till 30th September, 2023. In compliance with the MCA Circulars, this 38th AGM is being held through Video Conferencing (VC)/Other Audio Visual Means (OAVM), without the physical presence of the Members at a common venue.
Further, Securities and Exchange Board of India (SEBI), vide its Circulars dated May 12, 2020, January 15, 2021, May 13, 2022 and January 5, 2023 (SEBI Circulars) and other applicable circulars issued in this regard, have provided relaxations from compliance with certain provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations).
2. **PURSUANT TO THE PROVISIONS OF THE ACT, A MEMBER ENTITLED TO ATTEND AND VOTE AT THE AGM IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. SINCE THIS AGM IS BEING HELD PURSUANT TO THE MCA CIRCULARS THROUGH VC/OAVM, THE REQUIREMENT OF PHYSICAL ATTENDANCE OF MEMBERS HAS BEEN DISPENSED WITH. ACCORDINGLY, THE FACILITY FOR APPOINTMENT OF PROXIES BY MEMBERS WILL NOT BE AVAILABLE FOR THIS AGM AND HENCE, THE PROXY FORM, ATTENDANCE SLIP AND ROUTE MAP OF AGM ARE NOT ANNEXED TO THIS NOTICE.**
3. In terms of the provisions of Section 112 and 113 of the Act read with the said aforesaid MCA Circulars, Institutional shareholders/corporate shareholders (i.e. other than individuals, HUFs, NRIs, etc.) are required to send a scanned copy (PDF/JPG format) of their respective Board or governing body Resolution, Authorization, etc., authorizing their representative to attend the AGM through VC/OAVM on their behalf and to vote through remote e-Voting. The said Resolution/Authorization shall be sent to the Scrutinizer by e-mail to anamikabhola@gmail.com with a copy marked to evoting@nsdl.co.in and compliances@pmcfincorp.com. Institutional shareholders (i.e. other than individuals, HUFs, NRIs, etc.) can also upload their Board Resolution/ Power of Attorney/Authority Letter, etc. by clicking on "Upload Board Resolution/Authority Letter", etc. displayed under "e-Voting" tab in their login.
4. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.



5. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated 8th April, 2020, 13th April, 2020 and 5th May, 2020 the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as venue voting on the date of the AGM will be provided by NSDL.
6. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013
7. Pursuant to the provisions of Section 91 of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Register of Members and Share Transfer Books of the Company will remain closed from **Friday, September 08, 2023 to Thursday, September 14, 2023** (both days inclusive) for the purpose of this AGM.
8. The Members seeking any information with regard to the Financials/accounts or resolutions placed at the AGM are requested to send an email to the Company on compliances@pmcfincorp.com by September 9, 2023. The same will be replied by the Company suitably.
9. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("Act") setting out material facts in relation to the business under Items No. 3 and 4 of the Notice, is annexed hereto. Pursuant to Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard - 2 on General Meetings, relevant details of Ms. Deepali Sehgal Kulshrestha Appointed and Mr. Mahavir Prasad Garg, Directors proposed for re-appointment and Mr. Raj Kumar Modi, Director retiring by rotation are provided in the **Annexure I** to this Notice.
10. NRI Members are requested to:
 - a) change their residential status on return to India permanently.
 - b) furnish particulars of bank account(s) maintained in India with complete name, branch, account type, account number and address of the bank with PIN Code No., if not furnished earlier
11. In case of joint holders attending the Meeting, the member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
12. Members holding shares under different Folio Nos. in the same names are requested to apply for consolidation of folios and send relevant original share certificates to the Company's RTA for doing the needful.
13. Members, whether holding shares in electronic/physical mode, are requested to quote their DP ID & Client ID or Folio No. for all correspondence with the Company / Registrar and Share Transfer Agent ("RTA").
14. In compliance with the MCA Circulars and SEBI Circular No. SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated 5th January, 2023, Notice of the 38th AGM along with the Annual Report 2022-23 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/Depositories as on cut of date **Friday, 18th August, 2023**. Members may note that the Notice and Annual Report 2022-23 will also be available on the Company's website www.pmcfincorp.com and website of the BSE Limited at www.bseindia.com and on the website of NSDL at www.evoting.nsdl.com.

Members of the Company holding shares either in physical form or in Dematerialized forms as on Friday, 18th August, 2023 will be sent Annual Report for the financial year 2022-23 and Notice of 38th Annual General Meeting through electronic mode.

In case any Member is desirous of obtaining hard copy of the Annual Report for the Financial Year 2022-23 and Notice of the 38th AGM of the Company, may send request to the Company's e-mail address at compliances@pmcfincorp.com mentioning Folio No./DP ID and Client ID.



15. The Notice of the AGM, details and instructions for e-voting is uploaded on the Company's website www.pmcfincorp.com and may be accessed by the members. The physical copies of the aforesaid documents, Auditors certificate and other statutory registers will also be available at the Company's registered office for inspection during normal business hours (except Saturday, Sunday and National Holidays) from 11:00A.M. to 04:00 P.M from the date hereof upto the date of the AGM, Copies of the Notice of the AGM, details and instructions for e-voting are being sent by electronic mode to the members whose email addresses are registered with the Company / Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email addresses, physical copies of the aforesaid documents are being sent by the permitted mode.
16. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date i.e. **Friday, the September 08, 2023** only shall be entitled to avail the remote a-voting facility as well as voting in the AGM.
17. Any person who becomes a member of the Company after dispatch of the Notice of the Meeting and holding shares as on the cutoff date i.e. **Friday, the August 18, 2023** may obtain the User ID and password by either sending an e-mail request to evoting@nsdl.co.in or calling on Toll Free No. 18-00-222-990. If the member is already registered with NSDL e-voting platform then he can use his existing User ID and password for casting the vote through remote e-voting.
18. Trading in the shares of the Company can be done in dematerialized form only. Dematerialization would facilitate paperless trading through state-of-the art technology, quick transfer of corporate benefits to members and avoid inherent problems of bad deliveries loss in postal transit, theft and mutilation of share certificate and will not attract any stamp duty. Hence, we request all those members who have still not dematerialized their shares to get their shares dematerialized at the earliest.
19. The Board of Directors has appointed **Ms. Anamika Bhola (CP No. 23474)** of M/s. Anamika Bhola & Associates, Practicing Company Secretaries as the Scrutinizer to scrutinize the voting during the AGM and remote e-voting process in a fair and transparent manner.
20. In terms of Regulation 40(1) of SEBI Listing Regulations, as amended from time to time, securities can be transferred only in dematerialized form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. Further, SEBI had fixed March 31, 2021 as the cut-off date for relodgement of transfer deeds and the shares that are re-lodged for transfer shall be issued only in dematerialised mode. The requests for effecting transfer/transmission/transposition of securities shall not be processed unless the securities are held in the dematerialised form. Transfers of equity shares in electronic form are effected through the depositories with no involvement of the Company. Members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company's Registrar and Transfer Agent, Indus Portfolio Private Limited ("RTA") at rs.kushwaha@indusinvest.com for assistance in this regard.
21. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their DPs with whom they are maintaining their Demat accounts and members holding shares in physical form to the Company/Registrar & Transfer Agents.
22. Members are requested to intimate changes, if any, about their name, postal address, e-mail address, telephone/mobile numbers, PAN, power of attorney registration, Bank Mandate details, etc., to their Depository Participant ("DP") in case the shares are held in electronic form and to the Registrar in case the shares are held in physical form, in prescribed Form No. ISR-1, quoting their folio number and enclosing the self-attested supporting document. Further, Members may note that SEBI has mandated the submission of PAN by every participant in the securities market.



23. During the AGM, Members may access the electronic copy of the Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act and the Register of Contracts and Arrangements in which Directors are interested maintained under Section 189 of the Act. Members desiring inspection of statutory registers and other relevant documents may send their request in writing to the Company at compliances@pmcfincorp.com, latest by Tuesday, September 12, 2023 (upto 3:00 p.m).
24. To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address or demise of any Member as soon as possible. Members are also advised to not leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned DP and holdings should be verified from time to time.
25. As per the provisions of Section 72 of the Act, the facility for making nomination is available to the Members in respect of the shares held by them. Members who have not yet registered their nomination, are requested to register the same by submitting Form No. SH-13. If a Member desires to opt-out or cancel the earlier nomination and record a fresh nomination, the Member may submit the same in form ISR-3 or form SH-14, as the case may be. The said forms can be downloaded from the Company's website www.pmcfincorp.com (under 'Investor Information' section). Members are requested to submit the said form to their respective DPs in case the shares are held in electronic form, and to the RTA in case the shares are held in physical form.
26. **KYC UPDATION**

SEBI has mandated the submission of PAN, KYC details and nomination by holders of physical securities by 30th September, 2023, and linking PAN with Aadhaar by 30th June, 2023 vide SEBI Circular No. SEBI/HO/MIRSD/MIRSDPoD-1/P/CIR/2023/37 dated 16th March, 2023 ("SEBI Circular"), it is mandatory for the physical shareholders to update PAN, Address, Email ID, Mobile No., Bank account details ("KYC details") and Nomination details with Indus Portfolio Private Limited, Registrar and Transfer Agent (RTA) / Company. The RTA/ Company had sent Form ISR-1 for KYC updation, ISR-2 for bank details, Form SH-13/ ISR-3 in respect of nomination to physical shareholders whose KYC were not updated and Form SH-14 to cancel the earlier nomination and record a fresh nomination.

In case a holder of physical securities fails to furnish PAN and KYC details before 1st October, 2023 or link their PAN with Aadhaar on or before 30th June, 2023, in accordance with the SEBI circular dated 16th March, 2023, RTA is obligated to freeze such folios. The securities in the frozen folios shall be eligible to receive payments (including dividend) and lodge grievances only after furnishing the complete documents. If the securities continue to remain frozen as on 31st December, 2025, the RTA / the Company shall refer such securities to the administering authority under the Benami Transactions (Prohibitions) Act, 1988, and / or the Prevention of Money Laundering Act, 2002.

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

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

Those shareholders who are holding shares in dematerialised mode are requested to ensure that aforesaid KYC details and nomination are updated with their Depository Participants.

27. SEBI has vide its circular SBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated January 05, 2022, has mandated, in case the securities holder/claimant fails to submit the demat request within 120 days from date of issuance of Letter of confirmation, RTA/Issuer Company shall credit/transfer the securities to Suspense Escrow Demat Account opened with Depository Participant.



INSTRUCTIONS FOR E-VOTING:

Pursuant of section 108 of the Companies Act, 2013 read with Rule 20 of Companies (Management and Administration) Rules, 2015 as amended from time to time, and Regulation 44 of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide 'remote e-voting' facility through National Securities Depository Limited ("NSDL") to all Members of the Company to enable them to cast their votes electronically, on all resolutions mentioned in the notice of the 38th Annual General Meeting("AGM") of the Company.

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

The remote e-voting period begins on Monday, September 11, 2023 at 9.00 a.m. (IST) and ends on Wednesday, September 13, 2023 at 5.00 p.m. (IST). During this period, members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. Friday, September 8, 2023 may cast their votes by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting after 5.00 p.m. (IST) on Wednesday, September 13, 2023.

The members who have cast their vote by remote e-voting prior to the AGM may also attend/participate in the AGM through VC/OAVM but shall not be entitled to cast their vote again.

In accordance with Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Amendment Rules, 2015, the Company has fixed Friday, September 8, 2023 as the "cut-off date" to determine the eligibility to vote by remote e-voting or e-voting at the AGM. A person whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date i.e. Friday, September 8, 2023, shall be entitled to avail the facility of remote e-voting or e-voting at the AGM. Only those members, who will be present at the AGM through VC/OAVM facility and who would not have cast their vote by remote e-voting prior to the AGM and are otherwise not barred from doing so, shall be eligible to vote through e-voting system at the AGM.

The voting rights of Members shall be in proportion to their shares in the paid-up equity shares capital of the Company as on the cut-off date i.e. **Friday, September 8, 2023**.

Ms. Anamika Bhola of M/s. Anamika Bhola & Associates, Practicing Company Secretaries (Membership No.: ACS 26132; CP No: 23474), has been appointed as a Scrutinizer to scrutinize the remote e-voting process and e-voting at AGM in a fair and transparent manner.

The Scrutinizer shall submit her consolidated report to the Chairman within 2 working days from the conclusion of the AGM.

The result declared along with the Scrutinizer's Report shall be placed on the website of the Company at www.pmcfincorp.com and on the website of NSDL at <https://www.evoting.nsdl.com> and shall simultaneously be communicated to BSE Limited at www.bseindia.com. Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the Meeting, i.e. Thursday, September 14, 2023.

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

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





Step 1: Access to NSDL e-Voting system

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

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.



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

Type of shareholders	Login Method
<p>Individual Shareholders holding securities in demat mode with NSDL.</p>	<ol style="list-style-type: none"> 1. Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsd.com either on a Personal Computer or on a mobile. On the e-Services home page click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsd.com. Select "Register Online for IDeAS Portal" or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp 3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsd.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 4. Shareholders/Members can also download NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience. <div style="text-align: center;"> <p>NSDL Mobile App is available on</p> <div style="display: flex; justify-content: space-around;"> <div style="text-align: center;">  <p>App Store</p> </div> <div style="text-align: center;">  <p>Google Play</p> </div> </div> <div style="display: flex; justify-content: space-around; margin-top: 10px;">   </div> </div>



Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none">1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then user your existing my easi username & password.2. After successful login the Easi/ Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly.3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option.4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

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



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

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at 022 - 4886 7000 and 022 - 2499 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33

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

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

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

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

4. Your User ID details are given below :

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

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



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

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

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

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



General Guidelines for shareholders

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

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

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

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

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



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

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM link" placed under "**Join General meeting**" menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker may send their request mentioning their name, demat account number/folio number, email id, mobile number at compliances@pmcfincorp.com.
6. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at compliances@pmcfincorp.com. The same will be replied by the company suitably.
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker and send their request mentioning their name, demat account number / folio number, email id, mobile number at compliances@pmcfincorp.com before **Saturday September 9, 2023**. Those members who have registered themselves as a speaker will only be allowed to express their views/ ask questions during the meeting. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

By Order of the Board
For PMC FINCORP LIMITED

Place : NewDelhi
Date : 17.08.2023

(KAILASH)
Company Secretary
Membership No. A51199



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

Items No.3

The Board of Directors of the Company meeting held on dated May 29, 2023, had approved and recommended to the members, the appointment of Ms. Deepali Sehgal Kulshrestha as Non-Executive Independent Director for a First term of 5 (Five) consecutive years on the Board of the Company, effective from June 19, 2023 to June 18, 2028.

Ms. Deepali Sehgal Kulshrestha, is qualified Company Secretary and Law Graduate and having experience of more than 5 years in field of Corporate Secretarial and Legal. She has vast experience and knowledge in CS Secretarial, Stock Exchange Compliances and Legal, the Board is of the opinion that presence of Ms. Deepali Sehgal Kulshrestha on the Board will be of immense value to the Company.

In accordance with the provisions of Section 149 of the Companies Act, 2013, an Independent Director may hold office for two terms up to five consecutive years each. Ms. Deepali Sehgal Kulshrestha fulfils the requirements of an Independent Director as laid down under Section 149(6) of the Companies Act, 2013, and Regulation 16 of the LODR Regulations. Further, Ms. Deepali Sehgal Kulshrestha is not disqualified to act as Director of the Company.

The necessary information/disclosure in compliance with Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard (SS-2) issued by the Institute of Company Secretaries of India relating to Ms. Deepali Sehgal Kulshrestha has been provided in the "Annexure-I" to the Notice. In terms of the provisions of the Companies Act, 2013, Ms. Deepali Sehgal Kulshrestha has filed requisite consent(s)/disclosures before the Board.

The Board seeks the approval of members for the appointment of Ms. Deepali Sehgal Kulshrestha as an independent director of the Company pursuant to Sections 149, 152 and other applicable provisions of the Act and the Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof) and her office shall not be liable to retire by rotation.

Except Ms. Deepali Sehgal Kulshrestha, being an appointee, none of the Directors and Key Managerial Personnel or their relatives, in any way may be deemed to be concerned or interested financially or otherwise in the Resolution set out at Item No. 3 of the Notice.

The Board recommends the Special Resolution set out at Item no. 3 of the Notice for approval by the Members.

Items No.4

The Board of Directors of the Company meeting held on dated August 17, 2023 had approved and recommended to the members, the Re-appointment of Mr. Mahavir Prasad Garg as Non-Executive Independent Director for a Second term of 5 (Five) consecutive years on the Board of the Company, effective from February 14, 2024 to February 13, 2029.

Mr. Mahavir Prasad Garg, is qualified Company Secretary and Law Graduate and having experience of more than 30 years in field of Corporate Secretarial, Stock Exchange Compliances, IPO and Legal. He has worked with many listed and unlisted companies and he is currently working in Varun Beverages Limited as Assistant Vice-President. the Board is of the opinion that presence of Mr. Garg on the Board will be of immense value to the Company.

In accordance with the provisions of Section 149 of the Companies Act, 2013, an Independent Director may hold office for two terms up to five consecutive years each. Mr. Mahavir Prasad Garg fulfils the requirements of an Independent Director as laid down under Section 149(6) of the Companies Act, 2013, and Regulation 16 of the LODR Regulations. Further, Mr. Mahavir Prasad Garg is not disqualified to act as Director of the Company.



The necessary information/disclosure in compliance with Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard (SS-2) issued by the Institute of Company Secretaries of India relating to Mr. Mahavir Prasad Garg has been provided in the "Annexure-I" to the Notice. In terms of the provisions of the Companies Act, 2013, Mr. Mahavir Prasad Garg has filed requisite consent(s)/disclosures before the Board.

The Board seeks the approval of members for the appointment of Mr. Mahavir Prasad Garg as an independent director of the Company pursuant to Sections 149, 152 and other applicable provisions of the Act and the Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof) and her office shall not be liable to retire by rotation.

Except Mr. Mahavir Prasad Garg, being an appointee, none of the Directors and Key Managerial Personnel or their relatives, in any way may be deemed to be concerned or interested financially or otherwise in the Resolution set out at Item No. 4 of the Notice.

The Board recommends the Special Resolution set out at Item no. 4 of the Notice for approval by the Members.

By Order of the Board
For PMC FINCORP LIMITED

(KAILASH)
Company Secretary
Membership No. A51199

Place : New Delhi
Date : 17.08.2023



Annexure to AGM Notice

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

I. Re-appointment of Mr. Raj Kumar Modi (DIN: 01274171), Director Liable to Retire by Rotation

Date of Birth	13/11/1967
Qualification	B.com.
Nature of Expertise	Experience in Capital Market & Finance and he has Rich & vast experience of over 28 years.
Terms and conditions of Re-appointment	Mr. Raj Kumar Modi is Managing Director and liable to retire by rotation. Further the said appointment is being made as per section 160 of the Companies Act, 2013 and there is no variation in the terms and conditions.
Details of remuneration sought to be paid	As per the Remuneration and Nomination Policy of the Company as displayed on the Company's website i.e www.pmcfincorp.com
Date of first appointment in the current designation	27/01/2003
Shareholding in the Company	16,20,000 equity shares of ₹ 1/- each.
Directorships in other Public Companies	1. Anantjit Dealers Limited 2. Anekmurti Enterprises Limited
Memberships/ Chairmanship of Committees of other Companies	Nil
Inter-se relationship between Directors and other Key Managerial Personnel	Husband of Mrs. Rekha Modi and Father of Mr. Prabhat Modi and not related to any other Director/Key Managerial Personnel
Number of Meetings of the Board attended during the financial year (2022-2023)	5 (Five)
Past Remuneration Drawn (FY 2022-2023)	Rs. 24,00,000/- per Annum
Name of the Listed Entities from which the Director has resigned in the past three years	NA

II. Appointment of Ms. Deepali Sehgal Kulshrestha (DIN: 10192105) as Independent Director

Date of Birth	29/11/1990
Qualification	Company Secretary and LLB
Nature of Expertise	Experience of more than 5 years in field of Corporate Secretarial and Legal. She has vast experience and knowledge in CS Secretarial, Stock Exchange Compliances and Legal work.
Terms and conditions of Appointment	Ms. Deepali Sehgal Kulshrestha is Independent Director and not liable to retire by rotation.
Details of remuneration sought to be paid	Remuneration sought to be paid for attending meetings of the Board or Committee thereof as approved by the Board from time to time within the prescribed limits.
Date of first appointment in the current designation	19/06/2023
Shareholding in the Company	Nil
Directorships in other Public Companies	Nil



Memberships/Chairmanship of Committees of other Companies	Nil
Inter-se relationship between Directors and other Key Managerial Personnel	No Inter-se relationship with any other Director, or Key Managerial Personnel of the Company.
Number of Meetings of the Board attended during the financial year (2022-2023)	Nil
Past Remuneration Drawn (FY 2022-2023)	Remuneration/Sitting fees drawn for FY 22-23 is Rs. Nil
Name of the Listed Entities from which the Director has resigned in the past three years	NIL

III. Re-Appointment of Mr. Mahavir Prasad Garg (DIN: 00081692) as Independent Director

Date of Birth	10/03/1967
Qualification	Company Secretary and LLB
Nature of Expertise	Experience of more than 30 years in field of Corporate Secretarial and Legal. He has vast experience and knowledge in CS Secretarial, Stock Exchange Compliances and Legal work, he has worked with numbers of Companies including Listed Company and he is currently working as a Company Secretary in RJ Corp Group.
Terms and conditions of Reappointment	Mr. Mahavir Prasad Garg is Independent Director and not liable to retire by rotation.
Details of remuneration sought to be paid	Remuneration sought to be paid for attending meetings of the Board or Committee thereof as approved by the Board from time to time within the prescribed limits.
Date of first appointment in the current designation	14/02/2019
Shareholding in the Company	16,200 equity shares of Rs. 1/- each.
Directorships in other Public Companies	Nil
Memberships/ Chairmanship of Committees of other Companies	Nil
Inter-se relationship between Directors and other Key Managerial Personnel	No Inter-se relationship with any other Director, or Key Managerial Personnel of the Company.
Number of Meetings of the Board attended during the financial year (2022-2023)	5 (Five)
Past Remuneration Drawn (FY 2022-2023)	Remuneration/Sitting fees drawn for FY 22-23 is Rs. 75,000/-
Name of the Listed Entities from which the Director has resigned in the past three years	NA



DIRECTORS' REPORT

To,
The Shareholders,
PMC FINCORP LIMITED

Your directors have pleasure in presenting the 38th Annual Report of PMC Fincorp Limited ("your Company/the Company") together with the Audited financial statements of the year ended March 31, 2023. The Company is registered with the Reserve Bank of India ("RBI") as a Non-Systemically Important Non-Banking Financial Company ("NBFC") not accepting public deposits (NBFC-ND-NSI).

FINANCIAL SUMMARY OR HIGHLIGHTS/PERFORMANCE OF THE COMPANY

The highlights of Financial Results on Standalone basis for the Financial Year ended on March 31, 2023 are as follows: *(₹ in lakhs)*

PARTICULARS	Year ended 31.03.2023	Year ended 31.03.2022
Revenue from Operations	905.04	738.19
Net Profit Before Tax	(636.39)	255.02
Provision for Tax	(0.08)	73.26
Net Profit After Tax	(636.31)	181.26
Other Comprehensive Income for the year	8.50	37.66
Total Comprehensive Income	(627.81)	218.92

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

OPERATIONS REVIEW- STANDALONE

Your Company has earned Income from Operation and Loss before Tax aggregated to ₹905.04 Lacs and ₹-636.39 Lacs during the current year, respectively as compared to Income ₹738.19 Lacs and Profit before Tax ₹255.02 Lacs during the previous year.

ACCOUNTING METHOD

NBFCs were required to comply with the Indian Accounting Standards (IND-AS) for the preparation of the Financial Statements. Accordingly, the Annual Financial Statements for the year ended March 31, 2023 are prepared as per IND-AS.

STATE OF COMPANY'S AFFAIRS

Discussion on state of Company's affairs has been covered as part of the Management Discussion and Analysis. Management Discussion and Analysis for the year under review, as stipulated under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is presented in a separate section forming part of this Annual Report.

CHANGE IN NATURE OF BUSINESS

There was no change in the nature of business of company

DIVIDEND

The Board of Directors of the Company has not recommended any dividend on the equity shares of the Company for the financial year 2022-23 due to losses suffered by the Company.



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, In view of current year loss, your Directors regret their inability to carry any amount as reserves for the financial year.

SHARE CAPITAL

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

As on March 31, 2023, the paid up equity share capital of the Company is Rs. 53,40,61,200/- comprising of 53,40,61,200 Equity shares of Face Value of Rs. 1/- each. During the financial year 2022-23, your Company has converted 2,50,00,000 Number of Warrants into equity of Non- Promoter Category on May 24, 2022 at the rate 9.90/- each.

During the year under review the Company has neither issued shares with differential voting rights as to dividends, voting or otherwise nor issued (including sweat equity shares) to the employees or Directors of the Company under any scheme. Your Company does not have any Employee Stock Option Scheme or Employee Stock Purchase Scheme.

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.

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.

VIGIL MECHANISM & WHISTLE BLOWER POLICY

The Board has pursuant to the provisions of Section 177(9) & (10) of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 22 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, framed "Vigil Mechanism (Whistle Blower) Policy" ("the Policy") to deal with instances of fraud and mismanagement, if any. This Policy has been formulated to provide Vigil Mechanism for employees including directors of the Company to report genuine concerns from time to time. The said policy is placed on the website of the Company and may be accessed at a link:- <https://pmcfincorp.com/wp-content/uploads/2022/06/VIGIL-MECHANISM-WHISTLE-BLOWER-POLICY.pdf>



POLICIES

The Company has adopted the various policies in compliance with the provisions of SEBI (LODR) Regulations, 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.
5. Policy on determine materiality of event
6. Risk Management Policy

The details of the Policy are available on the website of the Company at www.pmfincorp.com

NBFC REGISTRATION

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

TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

An amount of ₹4.67 Lacs on account of unclaimed dividend, lying in the separate bank account opened for that purpose is in process to be transferred to Investor Education and Protection Fund.

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

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

DEMATERILISATION OF SHARES

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

BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

Presently, the Company's Board comprises of 6 (Six) Directors. Besides Chairman, Managing Director and Whole Time Director who are Promoter Directors, the Board has 1 (one) Managing Director, 1 (one) Whole Time Director, 1 (one) Non Executive Non Independent Director-Chairman, and 3 (Three) Non- Executive Independent Directors including 1 (one) Non- executive Woman Independent Director.

During the Financial year 2022-23, following changes took place in the composition of the Board & Key Managerial Personnel (KMP):

Pursuant to the recommendation of Nomination and Remuneration Committee (NRC), Mr. Prabhat Modi (DIN: 08193181) who was appointed by the Board as an Additional Director in the category of Non-Executive non-Independent Director of the Company for a first term of five consecutive years w.e.f. November 24, 2021 has been Re-designated as Whole Time Director w.e.f August 10, 2022 and approval of Members was obtained in the Annual General Meeting of the Company held on September 17, 2022.

Mr. Abhay Kumar (DIN:0942231) who was appointed by the Board as an Additional Director in the category of Non-Executive Independent Director of the Company for a first term of five consecutive years w.e.f. November 24, 2021 His Directorship has been ceased from the Board due to death w.e.f. March 23, 2023. The Board placed on record their appreciation for the assistance and guidance during their tenure as Director of the Company.

Mr. Satyam jaiswal (DIN: 09282921) who was appointed by the Board as an Additional Director in the category of Non-Executive Independent Director of the Company for a first term of five consecutive years w.e.f. March 31 2023, due to personal reasons he has resigned from the directorship of the Company w.e.f. June 20, 2023. The Board placed on record their appreciation for the assistance and guidance during their tenure as Director of the Company.



Pursuant to the recommendation of Nomination and Remuneration Committee (NRC), Mrs. Deepali Sehgal Kulshrestha (DIN: 10192105) has appointed Additional Director in the category Non- Executive Independent Director of the Company w.e.f June 19, 2023.

Appointment of Independent Directors

Your Company has appointed following 3 (Three) Independent Directors including 1 (one) Women Director.

- ♦ Mr. Mahavir Prasad Garg (DIN: 00081692)
- ♦ Mr. Yogesh Kumar Garg (DIN: 02144584)
- ♦ Mrs. Deepali Sehgal Kulshrestha (DIN: 10192105)

The Board further confirms that the Independent Directors also meet the criteria of expertise, experience and integrity in terms of Rule 8 of the Companies (Accounts) Rules, 2014 (as amended).

Declaration by Independent Directors

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

Pursuant to Rule 6 of Companies (Appointment and qualification of Directors) Rules, 2014 as amended w.e.f. December 01, 2019, all Independent Directors of the Company have registered themselves in the Independent Directors databank maintained with the Indian Institute of Corporate Affairs (IICA). In the opinion of the Board of Directors of the Company, all Independent Directors possess high integrity, expertise and experience including the proficiency required to discharge the duties and responsibilities as Directors of the Company.

Key Managerial Personnel of the Company

As on March 31, 2023, Mr. Raj Kumar Modi, Managing Director, Mr. Prabhat Modi, Whole Time Director, Mr. Chandresh Kumar Sharma, Chief Financial Officer and Mr. Kailash, Company Secretary are the Key Managerial Personnel (KMP) of the Company in terms of Section 203 of the Companies Act, 2013.

Directors Retiring by Rotation

Pursuant to the provision of Section 152 of the Companies Act, 2013, ("Act") and articles of association of the Company, Mr. Raj Kumar Modi (DIN: 01274171) Managing Director of the Company, retires by rotation at the ensuing Annual General Meeting and being eligible, has offer himself for re-appointment. The Board recommended his re-appointment for consideration at the ensuing AGM. The disclosures required regarding appointment / re-appointment of Mr. Raj Kumar Modi (DIN: 01274171) pursuant to Regulation 36(3) of the SEBI Listing Regulations and Secretarial Standard on General Meeting issued by The Institute of Company Secretaries of India are given in the Notice of AGM, forming part of the Annual Report.

NUMBER OF BOARD MEETINGS

During the financial year 2022-23, Five (5) Board Meetings were held on May 28, 2022, August 10, 2022, November 14, 2022, February 14, 2023 and March 31, 2023. One meeting of Independent Directors were held on February 14, 2023, more details on Board Meetings are provided in the Corporate Governance Report the provisions of Companies Act, 2013 and SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, were adhered to while considering the time gap between two consecutive meetings.

BOARD EVALUATION

Pursuant to the applicable provisions of the Companies Act, 2013 and the Listing Regulations, the Board has carried out an Annual Evaluation of its own performance, performance of the Individual Directors and the working of its Committees, based on the evaluation criteria defined by Nomination and Remuneration Committee (NRC) for performance evaluation process of the Board, its Committees and Directors.



Performance evaluation of Independent Directors was done by the entire Board, excluding the Independent Director being evaluated. The performance of the Board was evaluated by the Board after seeking inputs from all the directors on the basis of criteria such as the Board composition and structure, effectiveness of board processes, information and functioning, etc. The performance of the Committees was evaluated by the Board after seeking inputs from the Committee members on the basis of criteria such as the composition of committees, effectiveness of Committee meetings, etc. The performance of the Board, committees and individual directors was found satisfactory.

During the year under review, a separate Meeting of Independent Directors of the Company was held on February 14, 2023 in person, wherein all Independent Directors were present. At the said meeting, Independent Directors discussed and evaluated performance of Non-Executive Chairman, Managing Director and Executive Director, the Board and its various committees as a whole and also assessed the quality, quantity and timeliness of flow of information between the management of the Company and the Board that is necessary for the Board to effectively and reasonably perform its duties.

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

Pursuant to Section 178 of the Companies Act, 2013, the Nomination and Remuneration Committee (NRC) has formulated "Nomination and Remuneration Policy" which deals inter-alia with the appointment and remuneration of Directors, Key Managerial Personnel, Senior Management and other employees. The said policy is uploaded on the website of the Company and web-link thereto is <https://pmcfincorp.com/wp-content/uploads/2022/06/NRC-Policy-1.pdf>.

The salient features of the policy are as under:

I. Criteria for appointment:

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

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

- a. The remuneration including commission payable to the Whole Time /Executive Director(s) / Managing Director shall be determined and recommended by the NRC to the Board for approval.
- b. While determining the remuneration of the Executive Directors, following factors shall be considered by the NRC/ Board:
 - ◆ Role played by the individual in managing the Company including responding to the challenges faced by the Company
 - ◆ Individual performance and company performance so that remuneration meets appropriate performance benchmarks
 - ◆ Reflective of size of the Company, complexity of the sector/ industry/company's operations and the Company's financial position.



III. Remuneration to Non- Executive / Independent Directors:

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

DISCLOSURES RELATED TO COMMITTEES AND POLICIES

a. Audit Committee

The Audit Committee is duly constituted by the Board of Directors of the Company in accordance with the requirements of Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015. The Audit Committee as on March 31, 2023, comprises of:

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

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

b. Nomination and Remuneration Committee

The Nomination and Remuneration Committee of Directors is duly constituted by the Board of Directors of the Company in accordance with the requirements of Section 178 of the Companies Act, 2013 & Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Nomination and Remuneration Committee as on March 31, 2023, comprises of the following directors:

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

c. Stakeholders Relationship Committee

The Committee looks into redressal of Shareholder's/Investors' complaints related to transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends, among others.

The Committee has such term of reference, role, responsibility and powers as specified in Section 178 of the Companies Act, 2013 and in the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulation, 2015, as amended from time to time.

The Stakeholder's Relationship Committee was Re-constituted by the Board of Directors in its meeting held on May 29, 2023. The Chairman of Stakeholder's Relationship Committee is an Non-Independent Director and the composition of Stakeholder's Relationship committee meets the criteria laid down in Section 178 of the Companies Act, 2013 and Regulation 20 of SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015.

1. Ms. Rekha Modi, Chairperson
2. Mr. Mahavir Prasad Garg, Member
3. Mrs. Deepali Sehgal Kulshrestha, Member

Mr. Abhay Kumar Non Executive Independent Director ceased to be the membership of the Stakeholder Relationship Committee w.e.f. March 23, 2023. and Mr. Satyam Jaiswal Non Executive Independent Director appointed as a member in Stakeholder Relationship Committee w.e.f. March 31, 2023.

Further Mr. Satyam Jaiswal Non Executive Independent Director ceased to be the member of the Stakeholder Relationship Committee w.e.f. June 20, 2023. and Mrs. Deepali Sehgal Kulshrestha Non Executive Independent Director of the Company has appointed as a member in Stakeholder Relationship Committee w.e.f. June 19, 2023.



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.

PROHIBITION OF INSIDER TRADING

In compliance with the provisions of SEBI (Prohibition of Insider Trading) Regulation 2015 and to preserve the confidentiality and prevent misuse of unpublished price sensitive information, the Company has adopted a Code of conduct to Regulate, Monitor and Report Trading by Designated Persons and their Relatives ('Insider Trading Code') and code of Practices and Procedures for Fair Disclosure of unpublished Price Sensitive Information ('Code of Fair Disclosure').

The Insider Trading Code is intended to prevent misuse of unpublished price sensitive information by insiders and connected persons and ensure that the Directors and specified persons of the Company and their dependents shall not derive any benefit or assist others to derive any benefit from access to and possession of price sensitive information about the Company which is not in the public domain, that is to say, insider information.

The code of Fair Disclosure ensures that the affairs of the Company are managed in a fair, transparent and ethical manner keeping in view the need and interest of all the Stakeholders.

RELATED PARTY TRANSACTIONS

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

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

The said Policy can be accessed on the website of the Company. Policy on materiality of related party transactions and dealing with related party transactions is placed on the Company's website www.pmcfincorp.com.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 134(3) (c) and 134(5) of the Companies Act, 2013, your Directors, to the best of their knowledge and belief and according to the information and explanations obtained by them, state and confirm that:

- ❖ in the preparation of the annual accounts for the year ended March 31, 2023, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- ❖ such accounting policies as mentioned in the notes to the Financial Statements for the year ended March 31, 2023, have been selected and applied consistently and judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2023 and of the Profit of the Company for the year ended on that date;
- ❖ proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- ❖ the annual financial statements for the year ended March 31, 2023, have been prepared on a going concern basis;
- ❖ internal financial controls to be followed by the Company have been laid down and that the said financial controls were adequate and were operating effectively;



- ❖ Proper systems to ensure compliance with the provisions of all applicable laws have been devised and such systems were adequate and operating effectively.

AUDITORS

Statutory Auditors and Auditors' Report

In accordance with the provisions of Section 139 of the Act, at the Annual General Meeting ("AGM") held on September 17, 2022, M/s. Pankaj Gupta & Co., Chartered Accountants, (ICAI Firm Registration number 019302N) were appointed as the Statutory Auditors of the Company for a First term of 5 consecutive years to hold office from the conclusion of the 37th AGM till the conclusion of 42nd AGM of the Company. The Company has received a letter from, M/s. Pankaj Gupta & Co., Chartered Accountants confirming that they are eligible for appointing as Statutory Auditors of the Company.

The report given by the Auditors on the Standalone Financial Statements of the Company for the year ended March 31, 2023 forms part of this Annual Report. The Auditor's comments on the Company's account are self-explanatory in nature and do not require any explanation and there is no qualification, reservation, adverse remark or disclaimer given by the Auditors in their reports.

The Auditors of the Company have not reported any fraud in terms of the second proviso to Section 143(12) of the Companies Act, 2013 and therefore no detail is required to The Auditors of the Company have not reported any fraud in terms of the second proviso to Section 143(12) of the Companies Act, 2013 and no frauds have been reported by the Statutory Auditors in their report for the year under review. Notes to the Financial Statements are self-explanatory and do not call for any further comments.

SECRETARIAL AUDITOR AND SECRETARIAL AUDIT REPORT

Pursuant to the provisions of Section 204 of the Act, read with rules thereunder, the Board at its meeting held on May 28, 2022 has appointed M/s. Ashu Gupta & Co, Practicing Company Secretaries to conduct Secretarial Audit of the Company for the year ended March 31, 2023. The Secretarial Audit Report issued by them in Form No. MR-3 is provided as an "**Annexure II**" to this Report. The Secretarial Audit Report does not contain any qualifications, reservations or adverse remarks.

Further, in terms of the provisions of the Circular No. CIR/CFD/CMD1/27/2019 dated February 8, 2019 issued by Securities and Exchange Board of India (SEBI), M/s. Ashu Gupta & Co, Practicing Company Secretaries have issued the Annual Secretarial Compliance Report for the financial year ended March 31, 2023, thereby confirming compliance of the applicable SEBI Regulations and circulars / guidelines issued thereunder by the Company.

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

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

INTERNAL AUDITORS

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

COST RECORDS AND AUDITORS

The provisions of Cost Records and Cost Audit as prescribed under Section 148 of the Companies Act, 2013 are not applicable to the Company.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

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



PUBLIC DEPOSITS

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

SUBSIDIARIES

During the year under review, your Company does not have any subsidiaries or joint ventures or associate companies as defined under the Act. However, the Company has framed a policy for determining material subsidiaries, which can be <https://pmcfincorp.com/wp-content/uploads/2022/06/Policy-of-Material-Subsidiaries.pdf>

CORPORATE GOVERNANCE REPORT

Your Company has adopted best practices of Corporate Governance and complied with all the requirement of Corporate Governance laid down by SEBI. As per Regulation 34(3) read with Schedule V of the Listing Regulations, a Corporate Governance Report along with Statutory Auditors' Certificate confirming compliance of corporate governance for the year ended March 31, 2023 is provided separately and forms integral part of this Annual Report.

MANAGEMENT AND DISCUSSION ANALYSIS REPORT

Pursuant to Regulation 34 of the Listing Regulations, Management Discussion and Analysis Report containing information inter-alia on industry trends, your Company's performance, future outlook, opportunities and threats for the year ended March 31, 2023, is provided in a separate section forming integral part of this Annual Report.

ANNUAL RETURN

Pursuant to the amendments in Section 92(3) of the Companies Act, 2013 read with Rules thereunder and provisions of Section 134(3)(a) of the Act, Annual Returns of the Company for FY 2021-22 and FY 2022-23 are hosted on the website of the Company www.pmcfincorp.com and web-links thereto are given below:

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

Annual Return for FY 2022-23: https://pmcfincorp.com/wp-content/uploads/2023/08/Draft-MGT-7_2022-23.pdf

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

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

- A) Conservation of Energy- NIL
- B) Technology Absorption- NIL
- C) Foreign Exchange earnings and Outgo- NIL

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

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

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

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

During the year under review, your Company has not received any complaint pertaining to sexual harassment and no complaint was pending as on March 31, 2023.



PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

The information required pursuant to Section 197 (12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel), Rules, 2014 regarding remuneration of Directors, Key Managerial Personnel and other related disclosure is given as "**Annexure-III**" to this report regarding remuneration of Directors, Key Managerial Personnel and other related disclosure.

SIGNIFICANT OR MATERIAL ORDERS PASSED BY REGULATORS / COURTS

The Securities and Exchange Board of India (SEBI) initiated adjudication proceedings against the company under section 15HA of SEBI Act for alleged violations of section 12A(a), (b), (c) of SEBI Act read with regulation 3(a), (b), (c) and regulation 4(1) of SEBI PFUTP Regulations, 2003. The adjudication proceedings under section 15HA of SEBI Act implied a minimum penalty of INR 5 Lacs and a maximum penalty of INR 25 Crores, or three times the amount of profits, whichever is higher. The adjudicating officer noted in the order that no disproportionate gain or loss to investor was brought. However, despite vigorous defence against the allegations levied by SEBI in its proceedings, a penalty of INR 10 Lacs was imposed on the company in financial year 2021-22. In response, the company has appealed to the Securities Appellate Tribunal (SAT) against the Adjudication Order passed by SEBI.

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There are no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year 2022-23 and the date of this report.

SECRETARIAL STANDARDS

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

GENERAL

1. There was no change in the general nature of business of the Company.
2. The provisions of Cost Records and Cost Audit as prescribed under Section 148 of the Companies Act, 2013 are not applicable to the Company.
3. The provisions pertaining to Corporate Social Responsibility (CSR) were not applicable to the Company during the year under review.
4. As required in terms of Secretarial Standard (SS)-4, it is hereby confirmed that there is no corporate insolvency resolution process initiated under the Insolvency and Bankruptcy Code, 2016.

ACKNOWLEDGEMENTS AND APPRECIATION

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

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Place : New Delhi
Date : 29.05.2023

(REKHA MODI)
(Chairman)
DIN: 01274200



Annexure - I
FORM NO. AOC -2

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

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

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

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

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

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



Annexure - II To Directors Reports
Form No. MR-3
SECRETARIAL AUDIT REPORT

For the financial year ended 31st March, 2023
[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended]

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

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

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on **31st March, 2023** ('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, 2023 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; (Not Applicable to the Company during the Audit Period)
 - (e) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; (Not applicable during the review period)
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;



- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; (Not Applicable to the Company during the Audit Period) and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (Not Applicable to the Company during the Audit Period);
- (i) Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;
- (vi) Other applicable Law:
 - a) All the Rules, Regulations, Guidelines, Master Circulars applicable to Non-Banking Financial Companies under the RBI Act, 1934;
 - b) Indian Stamp Act, 1899;

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

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

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

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

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

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

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

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

1. Allotment of 2,50,00,000 Equity Shares of face value of Re. 1/- each pursuant to conversion of 2,50,00,000 Fully Convertible Warrants issued and allotted as on March 16, 2022 at an issue price of Rs. 9.90/- each, by way of preferential allotment on a private placement basis, to 'Non-Promoter' category on May 24, 2022.

Place: New Delhi
Date : 29-05-2023

UDIN : F004123E000679765

Ashu Gupta & Co.
Company Secretary in Practice
FCS No. 4123
CP No.: 6646
PR No.:730/2020

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



To,

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

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

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

Place: New Delhi
Date : 29-05-2023

UDIN : F004123E000679765

Ashu Gupta & Co.
Company Secretary in Practice
FCS No. 4123
CP No.: 6646
PR No.:730/2020



Annexure - III

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

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

S. No	Name of Director & KMP and Designation	Remuneration of Director/ Key Managerial Personnel for the year ended March 31, 2023 (Amount in ₹)	% increase in remuneration in FY 2022-23	Ratio of remuneration of Director to Median Remuneration of Employees	
1.	Ms. Rekha Modi Non Executive Director	NIL	Refer Note a below	NIL	
2.	Mr. Yogesh Kumar Garg Independent Director	75,000/-		0.37	
3.	Mr. Mahavir Prasad Garg Independent Director	75,000/-		0.37	
4.	Mr. Abhay Kumar Independent Director	35,000/-		0.17	
5.	Mr. Satyam Jaiswal Independent Director	NIL		NIL	
6.	Mr. Raj Kumar Modi Managing Director	24,00,000/-		Not Applicable	12.12
7.	Mr. Prabhat Modi Executive Director	7,67,772/-			3.88
8.	Mr. Kailash Company Secretary & Compliance Officer	6,00,000/-			3.03
9.	Mr. Chandresh Kumar Sharma Chief Financial Officer	2,40,000/-			1.21

Notes:

- The remuneration of all Directors of the Company comprises of sitting Fees for attending Board and Committee Meetings. Depending upon the meeting attended by Directors, sitting fees are paid in the FY 2022-23 and hence calculation of % increase in remuneration is not applicable.
- During the year ended March 31, 2023, there was no increase in the median remuneration of employees.
- As on March 31, 2023, the Company had 13 Permanent Employees on rolls.
- The median remuneration of employees of the Company during the year was 1,98,000/-.
- We affirm that the remuneration paid during the year 2022-23 is as per the Remuneration policy of the Company.

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

In terms of proviso to Rule 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the aforesaid particulars shall be made available to any shareholder on a specific request made by him in writing before the date of such Annual General Meeting wherein financial statements for the financial year 2022- 23 are proposed to be adopted by shareholders and such particulars shall be made available by the company within three days from the date of receipt of such request from shareholders.

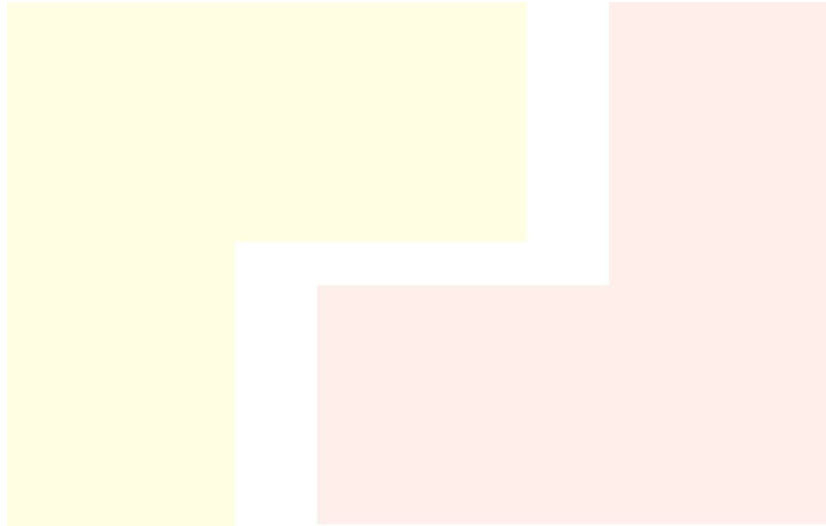


- C. **Employees employed throughout the financial year or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate is in excess of that drawn by the managing director or whole-time director or manager and holds by himself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

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Place : New Delhi
Date : May 29, 2023

(REKHA MODI)
(Chairman)
DIN: 01274200





MANAGEMENT DISCUSSION & ANALYSIS REPORT

MACROECONOMIC OVERVIEW

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 of 12 months. 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.

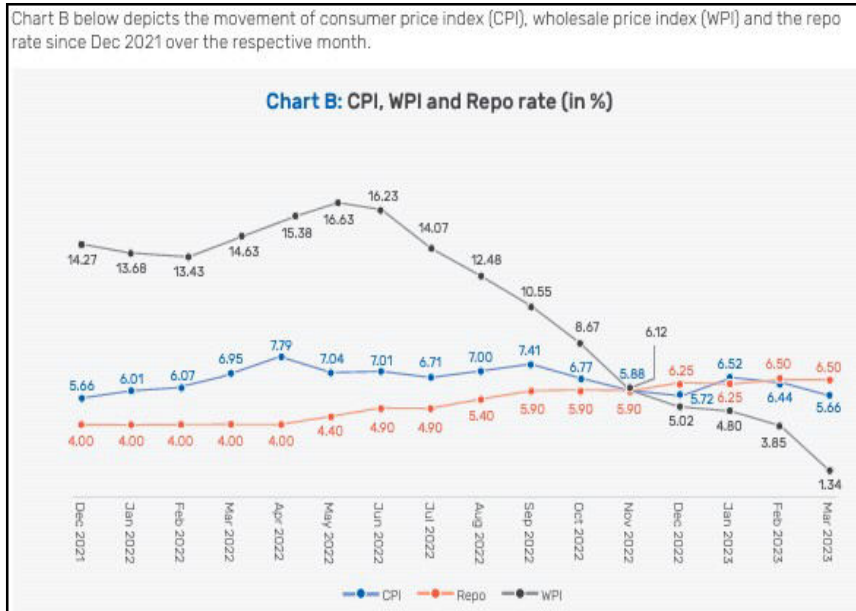
The capital markets were particularly dynamic in the Financial Year 2022-23 following major events such as the Ukraine war, persistent rise in core inflation, central bankers turning hawkish, and liquidity crunch in banks in developed nations.



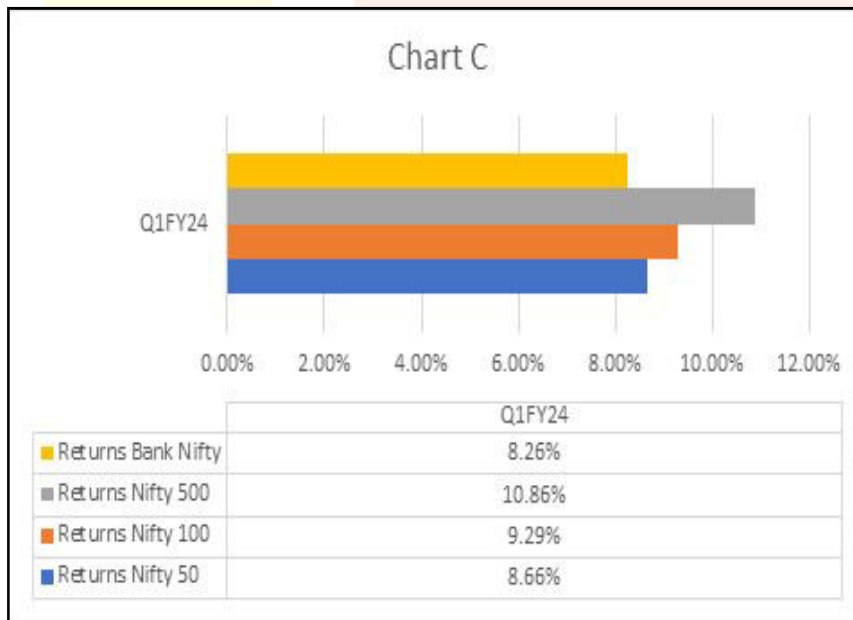
The dynamic nature of capital market returns through India's headline indices can be observed in **chart A** above. These can also be correlated with the events as they unfolded around the globe. The start to the financial year 2022-23 was particularly challenging as Russia's invasion of Ukraine was the most significant event impacting not only geopolitics but also commodity and energy markets. Russia's 'special military operation' essentially broke a major source of world's energy, and food supply chains, leading to a spiralling spike in fuel, food, and raw material prices. This further put inflation in overdrive in various countries due to energy and commodity rising to record highs following economic sanctions on Russia, with the US recording the highest inflation rate in 40 years. This induced central banks around the world to implement tectonic shift in their monetary policy stance from being dovish to hawkish and set on an aggressive rate hiking cycle. The US Federal Rate is above the high set before the 2008 subprime crisis, rising more than 500 bps to 5% to 5.25%.



The Reserve of India also embarked on a similar trajectory by raising the repo rate to 6.50% from 4% as observed in **Chart B** below.



Similarly, many other central banks such as European Central Bank, Canadian Central Bank and England Central Bank have aggressively raised rates to curb core inflation induced by supply chain issues. This also induced FPIs to exit emerging markets, with India also witnessing record FPI outflows of INR 1,40,010 crores in FY2021-22 and INR 37,632 crores in FY 2022-23. However, the start to financial year 2023-24 has been promising, as can be seen in **Chart C** below.



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, energy, metals, realty, and IT.



The strong start to the financial year 2023-24 has been backed by consecutive monthly foreign buying. It will prudent to mention here that we feel that market outlook is pricing in further gradual decrease in inflation, on the back of falling commodity prices. This has led to a gap between central bank commentary and asset pricing. While the market is pricing in an end of the interest rate hiking cycle, central banks such as the US Federal Reserve has indicated further hikes to completely stamp out inflation. The hawkish commentary can be seen as fear of return of the hyper-inflationary cycle of 1980s in the US, where the Federal Reserve at that time prematurely backed off from the hawkish stance. However, having pointed the risk, it is also pertinent to note that India seems to be in particularly sweet spot, having the highest projected growth rate of all major economies, and near zero probability of recession.

Given the sensitive nature of market returns and the correlation among sectors, it becomes critical to have a sound approach towards individual stock picking and overall portfolio positioning. Considering the last few years, the capital markets were largely macro driven, with the top-down approach generating the best results. However, within each sector, choosing the right stock is also important to capitalise on the sector outperformances. Further, the IPO segment has also been vibrant in the last few years, with the SME segment also buzzing. In terms of fundraising, 2018 was the best year for SME IPOs, which saw 141 listing to raise INR 2,286.93 crores, the best in last 10 years. In continuance, there have been 56 listings since January 2023 having raised INR 1220 crores (Source: Prime Database). We are constantly evaluating our market positioning and stock picks, with defence and communication stocks being one of our best investments. Looking ahead, electrification, decarbonisation, defence, infrastructure related themes and stocks show promise for the long term.

Industry Overview and Outlook for our company

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 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.

Threats and Risks

The very nature of the company's business makes it subject to various kinds of risk. The company encounters credit risk and operational risks in its regular business operations. Further the performance of the company is dependent on the market conditions. Risk management does not imply risk elimination but prudent risk identification and assessment. To this effect, we recognise that due to underlying nature of volatility in the capital markets, our company also experienced volatility in our financial performance due to the accounting principle of recording the value of holdings based on the market value as on end of each quarter. Further, we are always striving to identify and manage unsystematic risks to our lending operations in addition to our capital market exposure, however, exposure to systematic risks is inherent to any business operation. We are always committed to keep analysing the dynamic economic conditions to identify and manage risks to our operations.



HUMAN RESOURCES

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

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

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

INTERNAL CONTROL AND THEIR ADEQUACY

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

CAUTIONARY STATEMENT

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



CORPORATE GOVERNANCE REPORT

This Report states the compliance status of the Company as per the requirements of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time (hereinafter referred as "SEBI LODR, 2015"), for the Financial Year 2022-23 as to be made by the Listed entities in Corporate Governance section of the Annual Report as prescribed under Part C of Schedule V of the said Regulations.

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

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

Keeping in view the above philosophy, the Corporate Governance at PMC Fincorp Limited is based on the following main principles & practices:

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

2. BOARD OF DIRECTORS

The Composition of Board of Directors of the Company is in accordance with the Companies Act, 2013 and Regulation 17 of the SEBI LODR, 2015. Our Company has an appropriate combination of Executive, Non-Executive and Independent Directors including an Independent Woman Director to maintain independence and efficiency of the Board in its functions of governance and management.

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

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

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



a) Board Composition

The Board of Directors ('Board') has an optimum combination of Executive and Non-Executive Directors, representing a blend of professionalism, knowledge and experience. The size and composition of the Board meet the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'). As on March 31, 2023, the Board comprises of 6 Directors out of which 1 is Managing Director, 1 are Whole Time Director, 1 are Non-Executive Non- Independent Directors and 3 are Non-Executive Independent Directors. All Directors are competent and experienced personalities in their respective fields.

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

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

The composition of the Board, details of other directorships and Committee positions as on March 31, 2023 are given in the table below:

Name and Designation	DIN	Category	No. of Directorship held in Other Public Companies	Number of Directorships held in other Listed companies along with nature of Directorship	No. of Chairmanship Membership in Board Committees @	
					Member	Chairman
Ms. Rekha Modi Non-Executive Non Independent Director, Chairman	01274200	NENID	2	NIL	2	1
Mr. Raj Kumar Modi Managing Director	01274171	MD	2	NIL	—	—
Mr. Prabhat Modi Whole Time Director	08193181	WTD	—	NIL	—	—
Mr. Yogesh Kumar Garg Independent Director	02144584	ID	—	NIL	1	—
Mr. Mahavir Prasad Garg Independent Director	00081692	ID	—	NIL	2	1
*Mr. Satyam Jaiswal Independent Director	09282921	ID	1	2	4	2

During the year under review, due to Death of Mr. Abhay Kumar the Directorship Cessed from the post of Non-Executive Independent Director on the Board w.e.f. March 23, 2023, he attend 4 meeting of the Board during the Financial Year 2022-23. Further Mr. Satyam Jaiswal appointed independent Director on the Board w.e.f. March 31, 2023.

*Mr. Satyam Jaiswal independent Director of the Company has resigned from the post of Independent Director w.e.f. June 20, 2023 and Mrs. Deepali Sehgal Kulshrestha has appointed women Independent Director in the Company w.e.f. June 19, 2023.

Abbreviations: MD = Managing Director, ID = Independent Director, NENID = Non-Executive Non-Independent Director, WTD = Whole Time Director



Notes:

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

@ Only Membership / Chairmanship of Audit Committee and Stakeholders' Relationship Committee of listed and unlisted public limited companies including PMC Fincorp Limited are considered. Further, number of Memberships include number of Chairmanships.

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

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

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

There is no inter-se relationship among any of the Directors of the Company.

b) Independent Directors Meeting

During the year under review, a Meeting of Independent Directors of the Company was held on February 14, 2023 wherein all Independent Directors were present. At the said meeting, Independent Directors discussed and evaluated performance of the Chairman, other Non-Executive Non-Independent Directors, the Board and its various committees as a whole and also assessed the quality, quantity and timeliness of flow of information between the management of the Company and the Board that is necessary for the Board to effectively and reasonably perform its duties.

c) Familiarization Programme

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

The Familiarisation Programme and details of Familiarization Programme imparted during 2022-23 are uploaded on the website of the Company www.pmcfincorp.com can be accessed through web- link <https://pmcfincorp.com/wp-content/uploads/2023/02/Familiarization-Programme-Imparted-to-Independent-Directors-during-2022-2023.pdf>



d) Matrix of skills/competence/expertise of Directors

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

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

Board Competency Matrix

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

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

The Company's Board comprises of qualified members, who possesses aforesaid knowledge, experience, technical skills, expertise and competencies for effective contribution to the Board and its Committees. Details of the skills/ expertise/ competencies possessed by the Directors who were part of the Board as on March 31, 2023.



e) Board Meetings

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

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

During the Financial Year 2022-23, Five (5) Board Meetings were held on May 28, 2022, August 10, 2022, November 14, 2022, February 14, 2023 and March 31, 2023 through Physically in accordance MCA and SEBI circulars and the maximum time gap between any two consecutive Board Meetings of the Company did not exceed 120 days. .

Sr. No.	Name of the Directors	Attendance Particulars During the period April 01, 2022 to March 31, 2023		Whether attended last AGM held on September 17, 2022
		No. of Board Meeting held	No. of Board Meeting Attended	
1.	Ms. Rekha Modi	5	5	Yes
2.	Mr. Raj Kumar Modi	5	5	Yes
3.	Mr Prabhat Modi	5	5	Yes
4.	Mr. Yogesh Kumar Garg	5	5	Yes
5.	Mr. Mahavir Prasad Garg	5	5	Yes
6.	Mr. Abhay Kumar	4	4	Yes
7.	Mr. Satyam Jaiswal #	0	0	NA

#During the year under review, Mr. Satyam Jaiswal appointed Non-Executive Independent Director on the Board w.e.f, March 31, 2023 and due to Death of Mr. Abhay Kumar, the Directorship of Mr. Abhay Kumar Cessed from the post of Non-Executive Independent Director on the Board w.e.f. March 23, 2023, they attended 4 meeting of the Board during the Financial Year 2022-23.

Further Mr. Satyam Jaiswal independent Director of the Company resigned from the post of Independent Director w.e.f. June 20, 2023 and Mrs. Deepali Sehgal Kulshrestha has appointed Independent Director on the Board w.e.f. June 19, 2023.

The details of the Shareholding of Directors as on March 31, 2023 are as follow:

S.No	Name of Directors	No of Shares	Percentage (%) of Holding
1.	Mr. Raj Kumar Modi	16,20,000	0.303%
2.	Ms. Rekha Modi	86,40,000	1.617%
3.	Mr. Mahavir Prasad Garg	16,200	0.003%

Company has issued 50,00,000 convertible warrants to Mr. Prabhat Modi and equity shares as stated above no other director holds any equity shares of the Company and instruments.

f) Annual General Meeting

The Ministry of Corporate Affairs ("MCA") had, vide its circular no. 02/2022 dated May 5, 2022 read together with circular nos. 20/2020 and 21/2021 dated May 5, 2020 and December 14, 2021 respectively, permitted convening the Annual General Meeting ("AGM") during the calendar year 2022 through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM"), without the physical presence of the members at a common venue till December 31, 2022. Accordingly, 37th AGM of the Company was held on September 17, 2022 through VC.



g) Board Meetings Procedure

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

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

3 BOARD COMMITTEES

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

A. Audit Committee

(a) Terms of reference

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

The terms of reference of the Audit Committee covers matters specified Regulation 18(3) read with Part C of Schedule II of Listing Regulations and Section 177 of the Companies Act, 2013 as amended from time to time. The terms of reference of Audit Committee inter alia includes following matters:

Financial Reporting and Related Processes

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



Internal Controls and Governance Processes

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

Audit & Auditors

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

(b) Composition and Meetings

During the Financial Year 2022-23, four (4) Audit Committee Meetings were held on May 28, 2022, August 10, 2022, November 14, 2022 and February 14, 2023 and the maximum time gap between any two consecutive Audit Committee Meetings of the Company did not exceed 120 days.

The composition and the attendance of members at the meetings held during the financial year ended March 31, 2023 are given below:

Name of Directors	Position	Attendance at the Audit Committee Meetings	
		Meetings held	Meeting Attended
Mr. Mahavir Prasad Garg	Chairman	4	4
Mr. Yogesh Kumar Garg	Member	4	4
Ms. Rekha Modi	Member	4	4

Mr. Kailash Company Secretary cum Compliance Officer acts as the Secretary to the Audit Committee.

Mr. Mahavir Prasad Garg, Chairman of Audit Committee was present for last AGM held through VC/OAVM on September 17, 2022.

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



B. Stakeholders' Relationship Committee

(a) Composition and Meetings

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

During the year under review, As on March 31, 2023, the Stakeholders' Relationship Committee (SRC) consists of 3 Directors / Members viz. Ms. Rekha Modi, Non- Executive Non Independent Director as Chairman, Mr. Mahavir Prasad Garg as Non-Executive, Independent Director and Mr. Satyam Jaiswal, Independent Director as members of the SRC.

The composition and attendance of the members of the Stakeholders Relationship Committee at the meetings held during the financial year ended March 31, 2023 are given below:

Name of Directors	Designation	Category	Attendance at the Stakeholder Relationship Committee Meetings	
			held	Attended
Ms. Rekha Modi	Chairman	Non-Executive & Non-Independent Director	3	3
Mr. Mahavir Prasad Garg	Member	Non-Executive & Independent Director	3	3
Mr. Satyam Jaiswal#	Member	Non-Executive & Independent Director	—	—

#Mr. Satyam Jaiswal independent Director of the company has appointed a member of Stakeholder Relationship Committee w.e.f March 31, 2023 and Mr. Abhay Kumar who was independent Director of the Company passed away on March 23, 2023. Mr. Abhay Kumar attended 2 Meetings in Financial Year 2022-23. Loss of Mr. Abhay Kumar to his family and to the company is irreparable, may God give strength to the Company and his family.

The Stakeholder's Relationship Committee was re-constituted by the Board of Directors in its meeting held on May 29, 2023. The Chairman of Stakeholder's Relationship Committee is an Non -Executive-Non-Independent Director and the composition of Stakeholder's Relationship committee meets the criteria laid down in Section 178 of the Companies Act, 2013 and Regulation 20 of SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015.

Name of Directors	Designation	Category
Ms. Rekha Modi	Chairman	Non-Executive & Non-Independent Director
Mr. Mahavir Prasad Garg	Member	Non-Executive & Independent Director
Mrs. Deepali Sehgal Kulshrestha#	Member	Non-Executive & Independent Director

Mr. Satyam Jaiswal independent Director of the company has appointed a member of Stakeholder Relationship Committee w.e.f March 31, 2023. But due to personal reason he resigned from the post of independent Director w.e.f. June 20, 2023 and his membership shall be cessed from stakeholder relationship committee w.e.f. June 20, 2023.

#Further Mrs. Deepali Sehgal Kulshrestha has appointed as an Independent Director in the Company w.e.f. June 19, 2023 and she has become a member of Stakeholder Relationship Committee w.e.f. June 19, 2023.



(b) Terms of reference:-

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

1. Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc;
2. Review of measures taken for effective exercise of voting rights by shareholders;
3. Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent; and
4. Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.

(c) Investor Complaints

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

During the year under review Company has received two complaint from its shareholders and both complaints has resolved timely, No complaint was pending as on March 31, 2023.

Details of investor complaints received and redressed during the year 2022-23 are as follows:

Opening Balance	No. of Complaints received during the financial year	No. of Complaints resolved during the financial year	Closing Balance
NIL	2	2	NIL

Compliance Officer

Mr. Kailash as the Compliance Officer of the Company.

Ms. Rekha Modi, Chairperson of the Stakeholders Relationship Committee attended the previous Annual General Meeting held on September 17, 2022 for answering the shareholder's queries.

C. Nomination and Remuneration Committee

(a) Brief description of terms of reference

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

- ❖ Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration of the Directors, Key Managerial Personnel (KMP) and other employees.
- ❖ Lay down criteria for identifying and selection of candidates for appointment as Directors/ Independent Directors and KMP and other Senior Management positions;
- ❖ Recommendation to the Board about appointment, re- appointment, removal of Directors, Senior Management Personnel and KMP in accordance with the criteria laid down.
- ❖ Recommendation to the Board on remuneration payable to the Directors of the Company.
- ❖ Formulation of the criteria for evaluation of performance of every Director and carry out performance evaluation of Directors and to recommend to the Board on whether to extend or continue the term of appointment of Independent Director.
- ❖ Devising a policy on Board Diversity.
- ❖ Recommendation to the board, all remuneration, in whatever form, payable to senior management



- ❖ All other duties, responsibilities as defined under section 178 of the Companies Act, 2013 & Regulation 19 read with part D(A) of Schedule II of the SEBI LODR, 2015.

(b) Composition, Meetings and Attendance

During the year under review, there has been no change in the composition of Nomination and Remuneration Committee. As on March 31, 2023, NRC comprises of 3 Directors/Members in which out of Two are Non-Executive Independent Director and one is Non- Executive Non Independent Director as member.

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

The committee met Two (2) times i.e. on August 10, 2022, and March 31, 2023. The composition and the attendance of members at the meetings held during the financial year ended March 31, 2023 are given below:

Name of Directors	Designation	Category	Attendance at the Stakeholder Relationship Committee Meetings	
			held	Attended
Mr. Mahavir Prasad Garg	Chairman	Non-Executive & Independent Director	2	2
Mr. Yogesh Kumar Garg	Member	Non-Executive & Independent Director	2	2
Ms. Rekha Modi	Member	Non-Executive & Non-Independent Director	2	2

Compliance Officer

Mr. Kailash as the Compliance Officer of the Company.

(c) Nomination and Remuneration Policy

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

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

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

(d) Criteria for evaluation of Independent Directors

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

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

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

4. Remuneration of Directors

- (i) The details Remuneration of Managing Director and Whole Time Director for the Financial Year 2022-23 are as under:

Name of Directors	Designation	Remuneration for the Financial Year ended March 31, 2023	No. of equity shares of the Company held by Non-Executive Directors
Mr. Raj Kumar Modi	Managing Director	24,00,000/-	NIL
Mr. Prabhat Modi	Whole Time Director	7,67,742/-	NIL



(ii) Remuneration of Non-Executive Directors

At present, all Non-Executive Directors of the Company are entitled to receive sitting fees of Rs. 5000/- each for attending Board Meeting, Nomination and Remuneration Committee Meetings, Audit Committee Meetings, Stakeholder Relationship Committee Meetings and Rs. 20,000/- for Independent Director Committee Meetings. Details of sitting fees paid to all Directors of the Company for the financial year ended March 31, 2023 are as under:

Details of sitting fees paid to Non-Executive Directors of the Company for the financial year ended March 31, 2023 are as under:

Name of the Director	Remuneration for the Financial Year ended March 31, 2023 (Amount in Rs.)	No. of equity shares of the Company held by Non-Executive Directors
	Sitting Fees	
*Mr. Mahavir Prasad Garg	75,000	16,200
Mr. Yogesh Kumar Garg	75,000	NIL
**Ms. Rekha Modi	—	86,40,000
***Mr. Abhay Kumar	35,000	NIL
#Mr. Satyam Jaiswal	NIL	NIL

*Mr. Mahavir Prasad Garg had voluntarily decided not to take the sitting fees for attending Stakeholder Relationship Committee Meeting.

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

***Mr. Abhay Kuamr had voluntarily decided not to take the sitting fees for attending Independent Directors Committee Meetings.

Mr. Abhay Kumar who was independent Director of the Company passed away on March 23, 2023. Loss of Mr. Abhay Kumar to his family and to the company is irreparable, may God give strength to the Company and his family.

Mr. Satyam Jaiswal appointed Independent Director in the Company w.e.f. March 31, 2023 but due to personal reason he resigned from the post of Independent Director of the Company w.e.f. June 20, 2023. Further Mrs. Deepali Sehgal Kulshrestha appointed as an Independent Director in the Company w.e.f. June 19, 2023 and she has become a member of Stakeholder Relationship Committee w.e.f. June 19, 2023.

Notes:

1. There is no separate provision for payment of severance fees.
2. There are no variable components and performance linked incentives.
3. There are no pecuniary relationships or transactions between Non-Executive Directors and the Company during the year 2022-23.
4. The Company does not have any Employee Stock Option Scheme
5. General body Meetings

5. General body Meetings

a) Annual General Meetings:

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



AGM	Date	Time	Venue of the Last Three AGMs	Special Resolution(s) passed
35th	September 25, 2020	11.00A.M.	Video Conferencing ("VC")/ Other Audio Visual Means (("OAVM") VC Platform - provided by NSDL	Appointment of Mr. Yogesh Kumar Garg (DIN:02144584) as Non- Executive Independent Director in the AGM held on 25.09.2020 Re-appointment of Mr. Raj Kumar Modi as Managing Director of the Company for a period of 5 years w.e.f. 31st October, 2020 till 30th October, 2025 in the AGM held on 25.09.2020
36th	September 25, 2021	2.30 P.M.	Video Conferencing ("VC")/ Other Audio Visual Means (("OAVM") VC Platform - provided by NSDL	NIL
37th	September 17, 2022	11.00A.M.	Video Conferencing ("VC")/ Other Audio Visual Means (("OAVM") VC Platform - provided by NSDL	Change in Designation of Mr. Prabhat Modi (DIN: 08193181) from Non-Executive Director to Whole Time Director of the Company.

The Ministry of Corporate Affairs ("MCA") had, vide its circular no. 02/2022 dated May 5, 2022 read together with circular nos. 20/2020 and 21/2021 dated May 5, 2020 and December 14, 2021 respectively, permitted convening the Annual General Meeting ("AGM") during the calendar year 2022 through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM"), without the physical presence of the members at a common venue till December 31, 2022. Accordingly, 37th AGM of the Company was held on September 17, 2022 through VC.

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

6. Means of Communication

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

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

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

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

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



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

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

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

7. Disclosures

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

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

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

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

(b) Details of non-compliance by the Company, penalties, strictures imposed on the Company by the stock exchanges or the SEBI or any statutory authority, on any matter related to capital markets, during the last three years i.e. 2020-21, 2021-22 and 2022-2023 respectively:

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

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



(c) Whistle Blower policy and Vigil Mechanism

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

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

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

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

(d) Subsidiary Companies

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

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

(e) Code of Conduct

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

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

All members of the Board, the executive officers and seniors employees have affirmed compliance to the code of conduct as on March 31, 2023. A declaration to this effect, signed by Mr. Raj kumar Modi, Managing Director forms part of this Annual Report.

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

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

There is no deviation in following the treatments prescribed in Indian Accounting Standards (Ind-AS) in the preparation of financial statements for the year 2022-23.

(g) Risk Management

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

(h) CEO & CFO Certification

Pursuant to the provisions of Regulation 17(8) of Listing Regulations, Mr. Chandresh Kumar Sharma, Chief Financial Officer of the Company have furnished certificate to the Board for the year ended March 31, 2023, in the prescribed format. The certificate has been reviewed by the Audit Committee and taken on record by the Board on the meeting held on 29th May, 2023.



(i) Reconciliation of Share Capital Audit

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

(j) Code for Prevention of Insider Trading

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

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

(k) Certificate on Non-disqualification of Directors

M/s Ashu Gupta & Associates, Practising Company Secretaries have certified that during FY 2022-23, none of the Directors of the Company have been debarred or disqualified from being appointed or continuing as Directors of the Companies by the Securities and Exchange Board of India (SEBI) or Ministry of Corporate Affairs (MCA) or any such authority. A certificate issued by M/s Ashu Gupta & Associates to that effect is attached as Annexure V forming part of this report.

(l) Recommendation of the committees

During FY 2022-23, the Board has accepted all recommendations made by Audit Committee and Nomination and Remuneration Committee.

(m) Total Fees Paid to Statutory Auditors

During FY 2022-23, Rs 1,63,500/- was paid to M/s Pankaj Gupta & Co., Statutory Auditors.

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

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

However, in order to prevent sexual harassment of women at workplace, your Company has adopted a policy for prevention of Sexual Harassment of Women at workplace under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 to look into the complaints relating to sexual harassment at workplace of any woman employee. During the year under review, your Company has not received any complaint pertaining to sexual harassment and no complaint was pending as on March 31, 2023.

(o) Compliance with Mandatory & Non-Mandatory Requirements

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

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



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

Modified Opinion in Audit Report: There was no qualification or modified opinion in the Independent Auditors' Report on Audited Financial Statements for the year ended March 31, 2023, nor in past 2 years.

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

8. The disclosures of the compliance with corporate governance requirements specified in regulations 17 to 27 and clause (b) to (i) of sub-regulation (2) of regulation 46 of the SEBI (LODR) Regulations, 2015

The Company is in compliance with corporate governance requirements specified in regulations 17 to 27 and clause (b) to (i) of sub-regulation (2) of regulation 46 of the SEBI (LODR) Regulations, 2015.

9. GENERAL SHAREHOLDER INFORMATION

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

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

Listing on the Stock Exchange	BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400001	
	Stock Exchange Stock / Scrip Code-534060	
Listing Fee	The Company has paid Listing Fees for FY 2022-23 and FY 2023-24 to BSE Limited within prescribed time.	
Annual Custody Fees	The Company has paid the Annual Custody Fees to Central Depository Services (India) Ltd. and National Securities Depository Limited for the year 2022-23.	
ISIN	INE793G01035	
Investor Information		
Date of AGM	38th AGM of the Company will be held on Thursday, September 14, 2023 at 11:00AM (IST) through Video Conferencing/ Other Audio Visual Means.	
Financial Year	1st April to 31st March	
Tentative Financial Calendar (for financial year 2023-24)	Board Meeting for approval of	
	Financial Results for the Quarter ended June 30, 2023	On or before 14-08-2023
	Financial Results for the Quarter ended September 30, 2023	On or before 14-11-2023
	Financial Results for the Quarter ended December 31, 2023	On or before 14-02-2024
	Financial Results for the Quarter ended March 31, 2024	On or before 30-05-2024

Dates of book closure: The Register of Members and the Share Transfer books will remain closed from Friday, September 08, 2023 to Thursday, September 14, 2023 (both days inclusive) for the purpose of Annual General Meeting.

Dividend: No dividend has been declared for the year ended March 31, 2023.



Market Price Data & Performance Comparison

The monthly high and low quotations of the closing price and volume of shares traded at BSE Ltd. from April, 2022 to March, 2023 are as under and comparison against BSE Sensex is as under:

Month	BSE Share Price (in ₹)			BSE Indices (in ₹)	
	High	Low	Volume (Nos.)	High	Low
April -2022	5.74	4.04	3,27,06,812	60845.10	56,009.07
May-2022	4.90	3.63	2,59,16,115	57184.21	52,632.48
June-2022	3.99	2.82	1,88,20,807	56432.65	50,921.22
July-2022	3.79	3.11	1,35,02,622	57619.27	2,094.25
August-2022	4.46	3.13	2,84,40,406	60411.20	57,367.47
September-2022	3.58	2.75	1,98,12,933	60676.12	56,147.23
October-2022	3.20	2.50	1,34,57,755	60786.70	56,683.40
November-2022	3.29	2.50	1,63,00,072	63303.01	60425.47
December-2022	3.00	2.30	1,87,24,312	63583.07	59,754.10
January-2023	2.75	2.16	1,51,72,337	61343.96	58,699.20
February-2023	2.94	1.95	2,02,47,102	61682.25	58795.97
March-2023	2.26	1.57	2,47,88,689	60498.48	57084.91

Categories of Shareholders as on 31st March, 2023

Shareholding Pattern

Category	No. of Shares	% of Paid up Capital
A Promoters' Holding		
1. Promoters		
a) Indian Promoters		
- Individual	1,46,28,600	2.74
- Corporate Bodies	8,86,37,000	16.60
b) Foreign Promoters	—	—
2. Persons acting in concert	—	—
Sub Total (A)	10,32,65,600	19.34
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. Individuals	40,16,60,599	75.21
b. Hindu Undivided Family	1,10,00,661	2.06
c. Corporate Bodies	37,47,487	0.70
d. Non Resident Indians/Overseas	1,40,62,529	2.63
e. Trust	—	—
f. Clearing Member	3,24,324	0.06
g. Clearing House	—	—
Sub Total (B)	43,07,95,600	80.66
G.TOTAL (A+B)	53,40,61,200	100.00



Dematerialisation of Shares and Liquidity

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

As on 31.03.2023, 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	22642	17.63	261673508	49.00
2.	CDSL	105590	82.24	267331438	50.06
3.	PHYSICAL	162	0.13	5131854	0.95

Distribution of Shareholding as on 31st March, 2023

Distribution	No. of Share holders	% of Shareholders	No of Shares	% of Shareholding
Upto 100	45666	35.57	1875229	0.35
101 - 500	33030	25.73	9675415	1.81
501 - 1000	17683	13.77	15172642	2.84
1001 - 2000	11920	9.28	18777097	3.52
2001 - 5000	10388	8.09	36035120	6.75
5001 - 10000	4826	3.76	37654707	7.05
10001 - 20000	2451	1.91	35899323	6.72
20001 - 30000	815	0.63	20529225	3.84
30001 - 40000	358	0.28	12780306	2.39
40001 - 50000	306	0.24	14359407	2.69
50001 - 100000	531	0.41	40282169	7.54
100001 - 500000	348	0.27	68775565	12.88
Above 500000	72	0.06	222244995	41.61
	128394	100.00	534061200	100.00

Address for Correspondence:

Share Transfer and Demat

INDUS PORTFOLIO PVT. LIMITED

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

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

Any query on Annual Report:

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



Share Transfer System

Transfer of these shares is done through the depositories with no involvement of the Company. Regarding transfer of shares held in physical form, the transfer documents can be lodged with INDUS PORTFOLIO PRIVATE LIMITED at the above mentioned addresses of the Company. During the Financial Year 2022-23, transfer of shares was allowed only in dematerialised mode and the same is done through the depositories. Further, pursuant to SEBI Circular dated 25th January 2022, transmission, transposition & any endorsement shall be made only through demat mode. The Company had also sent intimation followed by 2 reminders to the shareholders holding shares in physical form to take necessary steps to dematerialize the shares at earliest.

Pursuant to Regulation 40(9) of the Listing Regulations, every year, a Company Secretary in Practice undertakes an audit of the share transfer related activities and the compliance certificate issued upon audit is submitted to BSE.

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

As on March 31, 2023, the Company does not have any outstanding GDRs/ADRs.

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

Service of documents through electronic mode:

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



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

To,

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

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

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its Directors, we hereby certify that none of the Directors on the Board of the Company as on **31st March, 2023** as stated below, have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority(ies):

Sr. No.	Name of Director	DIN	Date of appointment in Company
1	Mr. Mahavir Prasad Garg	00081692	14/02/2019
2	Mr. Raj Kumar Modi	01274171	27/01/2003
3	Mr. Rekha Modi	01274200	17/12/2009
4	Mr. Yogesh Kumar Garg	02144584	28/07/2020
5	Mr. Prabhat Modi	08193181	24/11/2021
6	Mr. Satyam Jaiswal	09282921	31/03/2023

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

For Ashu Gupta & Co.
Company Secretaries

Place: New Delhi
Date : 29-05-2023

UDIN : F004123E000679831

Ashu Gupta
(Prop.)
FCS No. 4123
CP No: 6646
PR No.:730/2020



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, 2023 as envisaged in Regulation 34 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

For PMC FINCORP LIMITED

Place : New Delhi
Date : May 29, 2023

Raj Kumar Modi
Managing Director
DIN: 01274171

CERTIFICATION BY DIRECTOR AND CHIEF FINANCE OFFICER

To,
The Members of
PMC Fincorp Limited

We certify that:

1. We have reviewed the Financial Statements and Cash Flow Statement of PMC Fincorp Limited for the year ended on 31st March, 2023 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 : May 29, 2023

Raj Kumar Modi
Managing Director
DIN: 01274171

Chandresh Kumar Sharma
(Chief Financial Officer)



INDEPENDENT PRACTITIONER'S REPORT ON CORPORATE GOVERNANCE

The Board of Directors
PMC Fincorp Limited,

Independent Practitioners Report on Corporate Governance

1. This Report is issued in accordance with the terms of our engagement letter/agreement dated May 16, 2023.

Management's Responsibility

2. The compliance of conditions of Corporate Governance is the responsibility of management of the Company including the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes the design, implementation, and maintenance of internal control relevant to the compliance of conditions of corporate governance for the year ended on March 31 2023, as stipulated in Regulation 17 to 27 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
3. The management is also responsible for ensuring that the Company complies with the requirements as stipulated in Regulation 17 to 27 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the year ended March 31, 2023.

Practitioner's Responsibility

4. Pursuant to the requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, it is our responsibility to provide a reasonable assurance and form an opinion as to whether the company complies Regulation 17 to 27 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
5. We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.
6. We state that such compliance is neither as 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.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

8. Based on our examination, as above, and the information and explanations given to us, in our opinion, 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 March 31, 2023.

Restriction on Use

9. The certificate is addressed to and provided to the Board of Directors of the Company solely for the purpose of enabling it to comply with SEBI (Listing Obligations and Disclosure Requirements) Regulations. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For PANKAJ GUPTA & CO.
Chartered Accountants
Firm Registration No.019302N

Place : New Delhi
Dated : 29.05.2023

(CA PANKAJ GUPTA)
Partner
Membership No. 501398
UDIN: 23501398BGYIHR8489



INDEPENDENT AUDITOR'S REPORT

To the Members of
PMC Fincorp Limited

Report on the Audit of the Standalone Ind AS Financial Statements

Opinion

We have Audited the accompanying Standalone Ind AS Financial Statements of **PMC FINCORP LIMITED** ("the Company") which comprise the Balance Sheet as at 31 March 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of changes in equity and the Statement of Cash Flows for the year then ended on that date, and a summary of the Significant Accounting Policies and other explanatory information (herein after referred to as "the Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, its loss amount of Rs. -636.31 Lacs and cash out flows for the year ended on that date.

Basis for Opinion

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

Emphasis of matter

We draw attention to Note no. 27(i) and (ii) which describes the effect of the contingent liabilities and commitments on the company operations. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Financial Statements of the year under report. These matters were addressed in the context of our audit of the Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no key audit matters to communicate in our report.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Company's Annual Report, but does not include the Financial Statements and our Auditors' Report thereon.

- ◆ Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- ◆ In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- ◆ If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard



Management's Responsibilities for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements for the year ended 31st March, 2023

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

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

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



- ◆ Obtain sufficient appropriate audit evidence regarding the Financial Statements of the company to express an opinion on the Financial Statements. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Companies Act, 2013, we give in **Annexure "A"** a statement on the matters specified in paragraphs 3 and 4 of the Order.
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 purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss including other comprehensive income, and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid financial statements comply with the accounting standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - (e) On the basis of the written representations received from the Directors as on March 31, 2023 taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2023 from being appointed as a Director in terms of Section 164 (2) of the Act;
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "**Annexure B**". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting;
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197 (16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act; and
 - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us;
 - i. The Company does not have any pending litigations (except the litigation as disclosed in Note 27 of the Financial Statements) which would impact its financial position;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
 - iii. An amount of Rs. 4.67 Lacs on account of unclaimed dividend, lying in the separate bank account opened for that purpose has become due but yet to be transferred to Investor Education and Protection Fund.



- iv. a) The Management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes forming part of standalone financial statements, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- b) The Management has represented, that, to the best of its knowledge and belief, other than as disclosed in the notes forming part of standalone financial statements, no funds (which are material either individually or in the aggregate) have been received by the Company from any persons or entities, including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- c) Based on the audit procedures that has been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. The Company has not declared or paid any dividend during the year and has not proposed final dividend for the year.
- vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company w.e.f. 1st April 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended 31st March 2023.

For PANKAJ GUPTA & CO.
Chartered Accountants
Firm Registration No.019302N

Place : New Delhi
Dated : 29.05.2023

(CA PANKAJ GUPTA)
Partner
Membership No. 501398
UDIN: 23501398BGYIHR8489



ANNEXURE - A TO THE INDEPENDENT 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, 2023]

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

- (i) In respect of the Company's Property, Plant and Equipment and Intangible Assets:
 - a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of the Property, plant and equipment.
(B) The Company has maintained proper records showing full particulars of intangible assets.
 - b) As explained to us, Property, plant and equipment have been physically verified by the management during the year in accordance with the phased programme of verification adopted by the management which, in our opinion, provides for physical verification of all the Property, plant and equipment at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - c) According to the information and explanations received by us, as the company owns no immovable properties, the requirement on reporting whether title deeds of immovable properties held in the name of the company is not applicable. In respect of immovable properties of land and building that have been taken on lease and disclosed in the financial statements, the lease agreements are in the name of the Company.
 - d) The Company has not revalued any of its Property, Plant and Equipment and intangible assets during the year.
 - e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2023 for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- (ii) In respect of its inventory:
 - a) The Company is in the business of providing loans and investments. The investments which form part of stock are held by the company in the Dematerialised account maintained with the National Securities Depository Limited (NSDL) and Central Securities Depository Limited (CSDL), hence the company does not have physical inventory. The balance of stock lying with the depository is verified 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 verification of stock lying in Dematerialised account 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 verification of the inventories.
- (iii) As the principal business of company is to give loans & advances, so definitely during the year company has granted loans or advances to various parties that are in the nature of unsecured loans and also company has made investments too.
 - a) As the principal business of company is to give loans & advances, therefore, reporting under clause 3(iii)(a) of the Order is not applicable to the Company.
 - b) Based on our audit procedures and according to the information and explanations provided by the management, in our opinion, the investments made, guarantees provided, security given and the terms and conditions of the grant of all loans and advances in the nature of loans and guarantees provided are not prejudicial to the company's interest.
 - c) Based on our scrutiny of the company's records and according to the information and explanations provided by the management, we are of the opinion that in respect of loans and advances in the nature of loans, the schedule of repayment of principal and payment of interest has not been stipulated and the repayments or receipts are regular except some loans.



- d) Based on our scrutiny of the company's records and according to the information and explanations provided by the management, subject to point no. c) above, as there is no stipulation of schedule of repayment of principal and payment of interest, overdue amount cannot be ascertained
- e) As the principal business of the company is to give loans and advances, therefore, the reporting under clause 3(iii)(e) of the order is not applicable to the Company.
- f) Based on our scrutiny of the company's records and according to the information and explanations provided by the management, the company has granted loans and advances in the nature of loans either repayable on demand or without specifying any terms and conditions. The amount is not ascertainable.
- (iv) In our opinion and according to the information and explanations given to us, the company has complied with section 185 and 186 of the Companies Act 2013 in respect of loans, investments, guarantees and security as applicable
- (v) The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, this clause of the Order is not applicable.
- (vi) As informed to us, the Central Government has not prescribed maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the Company.
- (vii) In respect of statutory dues:

- a) In our opinion, the Company has generally been regular in depositing undisputed statutory dues, including Goods and Services Tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other statutory dues applicable to it with the appropriate authorities.

There were no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other statutory dues in arrears as at March 31, 2023 for a period of more than six months from the date they became payable.

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

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

- (viii) There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- (ix) In respect to repayment and usage of borrowings:
 - a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to banks or financial institutions or any other lender during the year.
 - b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or other lender.
 - c) In our opinion and according to the information and explanations given to us by the management, no term loans were obtained during the year. Accordingly, this clause is not applicable.



- d) The Company has not raised funds on short term basis during the year and hence, reporting under clause (ix)(d) of the Order is not applicable.
 - e) The Company does not hold any investment in any subsidiary, associate or joint venture (as defined under Companies Act, 2013) during the year ended 31 March 2023. Accordingly, this clause is not applicable.
 - f) According to the information and explanations given to us and procedures performed by us, we report that the company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.
- (x) In relation to use of money raised through issue of own shares:
- a) According to the information and explanations given to us and based on our examination of the records of the company, the Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under this clause is not applicable.
 - b) During the year, the Company has allotted 2,50,00,000 equity shares of Rs. 1/- each to non-promoters entity on 24-05-2023 on receipt of balance money upon exercise of option for conversion of equity share warrants. Consequent upon the allotment of shares as mentioned above the paid-up equity capital of the company has increased from 509061200 equity shares to 534061200 equity shares. The remaining equity warrants shall be converted within the specified time limit as per SEBI (Issue of Capital & Disclosure Requirements) Regulations 2018.
- (xi) In respect of reporting on fraud:
- a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
 - b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.
 - c) According to the information and explanations given to us, during the year there are no whistle blower complaints received by the company during the year.
- (xii) The Company is not a Nidhi Company and hence this clause is not applicable.
- (xiii) In our opinion, and according to the information and the explanation given to us, all transactions with the related parties are in accordance with section 177 and 188 of the Companies Act, 2013, and the details of the same has been disclosed in the financial statements as required by the accounting standards.
- (xiv) (a) In our opinion the Company has an adequate internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- (xv) In our opinion during the year the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi) In relation to Reporting on Registration u/s 45-IA of RBI Act:
- a) 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.
 - b) As the company has already obtained the registration (as referred in clause (a)), so there is no question that during the year company would conduct any Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934
 - c) In our opinion and according to the information and explanations given to us, the company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India,



- d) The company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, reporting under clause 3(xvi)(d) of the Order is not applicable to the Company.
- (xvii) In our opinion, the company has incurred cash loss of Rs. 6.32 crore in the financial year and no cash loss incurred in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, this clause of the Order is not applicable
- (xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) In our opinion and according to the information and explanations given to us, section 135 of the Companies Act, 2013 is not applicable to the company. Accordingly, this clause is not applicable.

For PANKAJ GUPTA & CO.
Chartered Accountants
Firm Registration No.019302N

Place : New Delhi
Dated : 29.05.2023

(CA PANKAJ GUPTA)
Partner
Membership No. 501398
UDIN: 23501398BGYIHR8489



ANNEXURE - B TO THE INDEPENDENT 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 2023 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 generally operating effectively as at 31st March, 2023, subject to notes mentioned in audit report and Annexure 'A' to the audit report, 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. However, the company has not maintained detailed documentation on Internal Financial Controls or Standard Operating Procedures as recommended by the Guidance note issued by ICAI.

For PANKAJ GUPTA & CO.
Chartered Accountants
Firm Registration No.019302N

Place : New Delhi
Dated : 29.05.2023

(CA PANKAJ GUPTA)
Partner
Membership No. 501398
UDIN: 23501398BGYIHR8489



BALANCE SHEET AS AT 31ST MARCH, 2023

(₹ in lakhs)

Particulars	Note No.	As At 31.03.2023	As At 31.03.2022
ASSETS			
1 Financial Assets			
(a) Cash and Cash Equivalents	2	3.10	4.80
(b) Bank Balances other than above	3	46.96	437.71
(c) Receivables			
(i) Trade Receivables	4	40.14	22.01
(ii) Other Receivables		—	—
(d) Loans	5	11,571.75	10,539.32
(e) Investments	6	1,595.53	462.54
(f) Other Financial Assets	7	—	117.38
Total Financial Assets		13,257.49	11,583.76
2 Non-Financial Assets			
(a) Inventories	8	8.54	24.82
(b) Income Tax Assets (Net)	9	93.76	88.07
(c) Property, Plant and Equipment	10	31.75	4.26
(d) Intangible Assets		—	—
(e) Other Non-Financial Assets		—	—
(f) Deferred Tax Asset (Net)	11	2.91	2.83
Total Non-Financial Assets		139.95	119.98
Total Assets		13,394.44	11,703.74
LIABILITIES AND EQUITY LIABILITIES			
1 Financial Liabilities			
(a) Payables			
Trade Payables			
(i) Total Outstanding dues to Micro Enterprises and Small Enterprises		—	—
(ii) Total Outstanding dues to other than Micro Enterprises and Small Enterprises	12	4.67	1.51
Other Payables			
(i) Total Outstanding dues to Micro Enterprises and Small Enterprises		—	—
(ii) Total Outstanding dues to other than Micro Enterprises and Small Enterprises	12	241.73	5.06
(b) Borrowings other than Debt Securities	13	2,746.76	2,460.18
Total Financial Liabilities		2,993.17	2,466.76
2 Non-Financial Liabilities			
(a) Long Term Provisions	14	46.27	42.15
(b) Short Term Provisions	15	0.48	72.77
(c) Deferred Tax Liabilities (Net)		—	—
(d) Other Non-Financial Liabilities (Statutory dues payable)	16	17.56	9.45
Total Non-Financial Liabilities		64.32	124.37
3 Equity			
(a) Equity Share Capital	17	5,340.61	5,090.61
(b) Other Equity	18	4,996.34	4,022.00
Total Equity		10,336.96	9,112.61
Total Liabilities and Equity		13,394.44	11,703.74

Significant Accounting Policies

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

As per our report of even date attached

For PANKAJ GUPTA & CO.

Chartered Accountants

Firm Registration No.019302N

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

(CA. PANKAJ GUPTA)
Partner
Membership No. : 501398

(RAJ KUMAR MODI)
Managing Director
DIN : 01274171

(REKHA MODI)
Director
DIN : 01274200

(PRABHAT MODI)
Whole Time Director
DIN : 08193181

Place : New Delhi
Date : 29.05.2023

(CHANDRESH KUMAR SHARMA)
Chief Financial Officer
PAN: ATHPS2613M

(KAILASH)
Company Secretary
Membership No: A51199



STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2023

(₹ in lakhs)

Particulars	Note No.	As At 31.03.2023	As At 31.03.2022
Income			
Revenue from Operations	19	902.92	738.19
Other Income	20	2.12	—
Total Revenue		905.04	738.19
Expenses			
Purchase of Stocks & Shares		—	4.56
Change in Inventories of Finished Goods, Work-in-progress and Stock-in-Trade	21	17.74	-4.56
Employee Benefits Expenses	22	65.06	56.03
Finance Costs	23	156.76	71.34
Depreciation and Amortisation Expenses	24	4.80	1.49
Other Administrative Expenses	25	330.65	354.31
Loss on Sale of Investments		966.44	—
Total Expenses		1,541.44	483.17
Profit before Exceptional Items and Tax		-636.39	255.02
Exceptional Items		—	—
Profit Before Tax		-636.39	255.02
Tax expense			
Current Tax		—	72.77
Adjustment for prior years		—	0.78
Deferred Tax Asset		-0.08	0.21
Profit After Tax		-636.31	181.26
Other Comprehensive Income			
Items that will not be reclassified to Profit or Loss			
- Remeasurement of defined benefit plans		—	—
- Changes in fair value of financial instruments		8.50	37.66
Income Tax relating to items that will not be reclassified to Profit or Loss			
- Tax on remeasurement of defined benefit plans		—	—
- Tax on changes in fair value of financial instruments		—	—
Other Comprehensive Income for the year		8.50	37.66
Total Comprehensive Income		-627.81	218.92
Earnings Per Equity Share (in Rs.) :			
Nominal value of Rs. 1 each (Previous year Rs. 1 each)			
- Basic & Diluted Earning Per Share		-0.12	0.04

Significant Accounting Policies

1

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

As per our report of even date attached

For and on behalf of the Board of Directors of

For PANKAJ GUPTA & CO.

PMC FINCORP LIMITED

Chartered Accountants

Firm Registration No.019302N

(CA. PANKAJ GUPTA)
Partner
Membership No. : 501398

(RAJ KUMAR MODI)
Managing Director
DIN : 01274171

(REKHA MODI)
Director
DIN : 01274200

(PRABHAT MODI)
Whole Time Director
DIN : 08193181

Place : New Delhi
Date : 29.05.2023

(CHANDRESH KUMAR SHARMA)
Chief Financial Officer
PAN: ATHPS2613M

(KAILASH)
Company Secretary
Membership No: A51199



Statement of Changes in Equity for the year ended 31 March 2023

A. Equity Share Capital

(₹ in lakhs)

Particular	No. of Shares	Amount of Shares
Balance As at March 31, 2022	509061200	5,090.61
Change in equity share capital during the year	25000000	250.00
Balance As at March 31, 2023	534061200	5,340.61

B. Other Equity

(₹ in lakhs)

Particulars	Share application money pending allotment	Equity component of compound financial instruments	Reserves and Surplus				Debt instruments through Other Comprehensive Income	Equity Instruments through Other Comprehensive Income	Effective portion of Cash Flow Hedges	Re-valuation Surplus	Exchange differences on translating the financial statements of a foreign operations	Other items of Other Comprehensive Income (specify nature)	Money received against share warrants	Total
			Capital Reserve	Share Premium Reserve	Statutory Reserve	Retained Earnings								
Balance As at March 31, 2022	-	-	-	613.54	315.69	1360.28	-	-	-	-	-	-	1732.50	4022.00
Add/Less during the year	-	-	-	2225.00	-	-	-	-	-	-	-	-	-618.75	1606.25
Profit for the year	-	-	-	-	-	-640.40	-	-	-	-	-	-	-	-640.40
Total Comprehensive Income for the year	-	-	-	-	-	8.50	-	-	-	-	-	-	-	8.50
Transfer to retained earnings	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance As at March 31, 2023	-	-	-	2838.54	315.69	728.38	-	-	-	-	-	-	1113.75	4996.34

As per our report of even date attached
For **PANKAJ GUPTA & CO.**
Chartered Accountants
Firm Registration No.019302N

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

(CA. PANKAJ GUPTA)
Partner
Membership No. : 501398

(RAJ KUMAR MODI)
Managing Director
DIN : 01274171

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Place : New Delhi
Date : 29.05.2023

(CHANDRESH KUMAR SHARMA)
Chief Financial Officer
PAN: ATHPS2613M

(KAILASH)
Company Secretary
Membership No: A51199



CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2023

(₹ in lakhs)

	Year Ended 31-03-2023	Year Ended 31-03-2022
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax	-636.39	255.02
Adjustment for:		
Depreciation/Amortisation	4.80	1.49
Less: Amounts W/off	—	—
Less: Profit (Net) on Investment / Asset	966.44	-11.59
Operating Profit Before Working Capital Changes	334.85	244.92
Adjustment for Working Capital:		
Increase /(Decrease) in Inventories	17.73	-4.56
(Increase)/ Decrease in Trade Receivables	-18.13	-21.67
Decrease/(increase) in Short Term Loans & Advances	-920.05	-3225.91
Increase/ (Decrease) in Income Tax Assets	-5.69	-30.30
Increase/ (Decrease) in Trade Payables	3.16	-19.02
Increase/ (Decrease) in Other Payables	241.73	—
Increase/ (Decrease) in Other Current Liabilities	3.04	-45.90
Cash Generated from Operations	-343.36	-3102.45
Income Taxes Paid	-72.29	-56.40
Net Cash Outflow from Operating Activities	-415.65	-3158.85
B. CASH FLOW FROM INVESTING ACTIVITIES		
Sale of Investments	1860.25	33.41
Purchase of Investments	-3,947.59	—
Purchase of Fixed Assets	-32.28	-1.90
Net Cash Used in Investing Activities	-2119.62	31.51
C. CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of Long Term Borrowings	—	—
Proceeds from Long Term Borrowings	286.58	1,839.57
Share Capital	250.00	—
Share Premium	2225.00	—
Proceeds from Issue of Warrant (Share Capital)	-618.75	1,732.50
Net Cash from/ (used in) Financing Activities	2142.83	3,572.07
Net Increase / (Decrease) in Cash and Cash Equivalents	-392.44	444.75
Cash & Cash Equivalents at the beginning of the period	442.51	-2.24
Cash & Cash Equivalents at the end of the period	50.07	442.51

As per our report of even date attached
For PANKAJ GUPTA & CO.
Chartered Accountants
Firm Registration No.019302N

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

(CA. PANKAJ GUPTA)
Partner
Membership No. : 501398

(RAJ KUMAR MODI)
Managing Director
DIN : 01274171

(REKHA MODI)
Director
DIN : 01274200

(PRABHAT MODI)
Whole Time Director
DIN : 08193181

Place : New Delhi
Date : 29.05.2023

(CHANDRESH KUMAR SHARMA)
Chief Financial Officer
PAN: ATHPS2613M

(KAILASH)
Company Secretary
Membership No: A51199



NOTES TO THE FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES

(i) Company Information

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

The Audited Financial Statements were subject to review and recommendation of Audit Committee and approval of Board of Directors. On May 29, 2023, Board of Directors of the Company approved and recommended the Audited Financial Statements for consideration and adoption by the shareholders in its Annual General Meeting.

(ii) Basis for preparation of Accounts:

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

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

Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

The financial statements are presented in INR, the functional currency of the Company. Items included in the financial statements of the Company are recorded using the currency of the primary economic environment in which the Company operates (the 'functional currency'). Transactions and balances with values below the rounding off norm adopted by the Company have been reflected as "0" in the relevant notes in these financial statements. The financial statements of the Company for the year ended 31st March, 2023 were approved for issue in accordance with the resolution of the Board of Directors 29th May, 2023.

(iii) Current - Non Current classification

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

(a) Assets

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

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

(b) Liabilities

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

- 1) it is expected to be settled in the company's normal operating cycle;
- 2) it is held primarily for the purpose of being traded;
- 3) it is due to be settled within 12 months after the reporting date; or



- 4) the company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity Instruments do not affect its classification.

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

All other liabilities are classified as non-current.

Operating cycle

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

(iv) Basis of measurement

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

(v) Key Accounting Estimates and Judgements Use of Estimates

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

(vi) Tangible fixed assets

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

(vii) Depreciation and amortisation

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

(viii) Investments:

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

(ix) Inventories:

Stock in Trade including shares & securities is valued at market price.

Cost is determined on First-In-First-Out (FIFO) basis.

(x) Impairment:

The carrying amount of asset is reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use.

(xi) Cash and Cash Equivalents:

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

(xii) Trade Receivables and Loans:

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

(xiii) Revenue Recognition:

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

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



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

(xiv) Expenditure:

Expenses are accounted on accrual basis.

(xv) Provisions of Assets

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

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

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

(xvi) Provisions, contingents Liabilities and contingent Assets

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

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

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

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

(xvii) Income Taxes:

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

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

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

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

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

(xviii) Employee Benefits

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



Notes to Financial Statements for the year ended March 31, 2023

(₹ in lakhs)

FINANCIAL ASSETS		As At 31.03.2023	As At 31.03.2022
2. Cash and Cash Equivalents			
Cash in Hand		3.10	4.80
		3.10	4.80
3. Bank Balances other than Cash and Cash Equivalents			
Balances with Banks			
- On current accounts		42.30	433.88
- Dividend Accounts		4.67	3.83
		46.96	437.71
4. Receivables			
Trade Receivables Considered Good – Unsecured		40.14	22.01
		40.14	22.01

Trade Receivables Ageing Schedule

Particulars	As at March 31, 2023					
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	29.71	0.31	10.12	-	-	40.14
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables – considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
TOTAL	29.71	0.31	10.12	-	-	40.14

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



Notes to Financial Statements for the year ended March 31, 2023

(₹ in lakhs)

FINANCIAL ASSETS		As At 31.03.2023	As At 31.03.2022	
5. Loans				
Unsecured, Considered Good				
Loans at agreement values less instalment				
Standard Assets		11566.59	10509.07	
Doubtful Assets (NPA)		—	—	
Capital Advances		—	—	
Advance Against Property		—	—	
Share Application Money to Corporates		—	30.00	
Security Deposit to Landlord		2.80	0.25	
Prepaid Expenses		2.36	—	
		11571.75	10539.32	
6. Investments				
(A) Investment in Quoted Equity Instruments (At fair value through OCI)				
	Qty	Value	Qty	Value
	31.03.23	31.03.23	31.03.22	31.03.22
Action Construction Equipment Ltd.	2000	8.14	—	—
Anupam Rasayan India Ltd.	1000	8.64	—	—
Apar Industries Ltd.	1000	25.03	—	—
Bank of Maharashtra	50000	12.39	—	—
Central Depository Services (India) Limited	1000	9.09	—	—
Dhampur Bio Organics Ltd.	5000	7.17	—	—
Dynamic Cables Ltd.	5000	8.38	—	—
Esab India Ltd.	1127	39.85	—	—
Finolex Cables Ltd.	500	4.06	—	—
Garden Reach Shipbuilders & Engineers Ltd.	3000	13.64	—	—
Gensol Engineering Limited	1064	11.83	—	—
GHCL Limited	1000	5.04	—	—
Godawari Power & Ispat Ltd.	2000	6.97	—	—
Hindware Home Innovation Ltd.	5000	17.72	—	—
Indo Count Industries Ltd.	66507#	74.42	498800	117.97
IIFL Finance Limited	1000	4.88	—	—
Indian Railway Finance Corporation Ltd.	25000	6.65	—	—
IRB Infrastructure Developers Ltd.	2000	0.50	—	—
JBM Auto Limited	1500	9.67	—	—
Jindal Stainless (H) Ltd.	3000	8.69	—	—
J & K Bank Ltd.	50000	24.58	—	—
Kanoria Energy & Infrastructure Ltd. (A Infrastructure Ltd.)	15022	2.68	—	—
Kolte-Patil Developers Ltd.	2000	4.97	—	—
Lemon Tree Hotels Ltd.	10000	7.73	—	—
Maharashtra Corporation Ltd.	31000000	418.50	—	—

Cont.....

Pranavadiya Spinning Mills Ltd. amalgamated with Indo Count Industries Ltd. and 66507 shares are allotted against 498800 shares.



Notes to Financial Statements for the year ended March 31, 2023

(₹ in lakhs)

FINANCIAL ASSETS	As At 31.03.2023		As At 31.03.2022	
6. Investments (Contd.....)				
	Qty	Value	Qty	Value
	31.03.23	31.03.23	31.03.22	31.03.22
Mazagon Dock Shipbuilders Ltd.	1500	9.95	—	—
Mirza International Ltd.	1000	0.35	—	—
Moongipa Capital Finance Ltd.	25100	4.30	—	—
National Fertilizers Ltd.	45100	32.67	—	—
Paramount Communications Ltd.	190000	59.26	—	—
Paras Defence and Space Technologies Limited	4000	18.81	—	—
Praj Industries Ltd.	1000	3.41	—	—
Prestige Estate Ltd.	3100	12.49	—	—
Rachana Infrastructure Ltd.	18000	78.19	—	—
Rashtriya Chemicals & Fertilizers Ltd.	2000	1.91	—	—
Reliance Industrial Infrastructure Ltd.	1000	7.82	—	—
Salasar Exteriors & Contour Ltd.	150000	378.68	—	—
Shree Renuka Sugars Ltd.	75000	33.08	—	—
SJVN Ltd.	19334	6.43	—	—
Sona BLW Precision Forgings Ltd.	2000	8.26	—	—
Tejas Networks Limited	3000	17.43	—	—
TGV SRAAC Ltd.	10000	9.76	—	—
Timex Group India Ltd.	2000	2.42	—	—
Triveni Enterprises Ltd.	900000	20.34	—	—
Venus Pipes & Tubes Limited	1000	7.49	—	—
Vinyl Chemicals (I) Ltd.	500	1.67	—	—
Visagar Financial Services Ltd.	1000	0.01	—	—
Total (Quoted)		1455.96		117.97
(B) Investment in Un-Quoted Equity Instruments				
BSB Marketing Pvt. Ltd.	1315575	14.57	1315575	14.57
Catamaran Corp. Ltd. (Redeemable Non-Cumulative preference Shares)	1250000	125.00	1250000	150.00
Swati Menthol and Allied Chemicals Ltd.	—	—	200000	180.00
Total (Un-Quoted)		139.57		344.57
Total Value of Investments (Quoted and Un-Quoted)		1595.53		462.54
7. Other Financial Assets				
Margin with R.K. Global Shares and Securities Ltd.			—	117.38
			—	117.38



Notes to Financial Statements for the year ended March 31, 2023

(₹ in lakhs)

NON-FINANCIAL ASSETS	As At 31.03.2023	As At 31.03.2022
8. Inventories		
Stock of Shares & Securities	8.54	24.82
	8.54	24.82
9. Income Tax Assets (Net)		
Income Tax Assets	93.76	88.07
	93.76	88.07

10. Property, Plant and Equipment

Current Year	Gross Block (at cost)				Accumulated Depreciation				Net Block	
	As at April 1, 2022	Additions during the year	Disposal/ Adjustment	As at March 31, 2023	As at March 31, 2022	For the year	Disposal/ Adjustment	As at March 31, 2023	As at March 31, 2023	
Furniture and fixtures	16.72	27.28	-	44.00	15.69	1.55	-	17.24	26.78	
Office equipments	13.62	3.26	-	16.88	11.66	1.83	-	13.49	3.41	
Vehicles	17.56	-	-	17.56	16.42	0.28	-	16.70	0.86	
Computer software	0.37	1.74	-	2.11	0.27	1.14	-	1.41	0.70	
Total	48.27	32.28	-	80.55	44.04	4.80	-	48.84	31.75	

Previous year	Gross Block (at cost)				Accumulated Depreciation				Net Block	
	As at April 1, 2021	Additions during the year	Disposal/ Adjustment	As at March 31, 2022	As at March 31, 2021	For the year	Disposal/ Adjustment	As at March 31, 2022	As at March 31, 2022	
Furniture and Fixtures	16.72	-	-	16.72	15.48	0.21	-	15.69	1.03	
Office Equipments	11.84	1.78	-	13.62	10.59	1.07	-	11.66	1.96	
Vehicles	17.56	-	-	17.56	16.24	0.18	-	16.42	1.14	
Computer Software	0.25	0.12	-	0.37	0.24	0.03	-	0.27	0.10	
Total	46.37	1.90	-	48.27	42.55	1.49	-	44.04	4.26	

Footnotes:

- The Company has elected Ind AS 101 exemption and continue with the carrying value for all of its property, plant and equipment as its deemed cost as at the date of transition, for details refer note.
- The Company has not carried out any revaluation of property, plant and equipment for the year ended March 31, 2023 and March 31, 2022.
- There are no impairment losses recognised during the year.
- There are no exchange differences adjusted in Property, Plant & Equipment.

NON-FINANCIAL ASSETS	As At 31.03.2023	As At 31.03.2022
11. Deferred Tax Asset (Net)		
Opening Balance	2.83	3.03
Deferred Tax Asset	0.08	-0.21
	2.91	2.83



Notes to Financial Statements for the year ended March 31, 2023

(₹ in lakhs)

FINANCIAL LIABILITIES	As At 31.03.2023	As At 31.03.2022
12. (I) Trade Payables		
- to Micro and Small Enterprises (Refer Note 28)	—	—
- to Others	4.67	1.51
	4.67	1.51
(II) Other Payables		
(i) Expenses Payable	4.56	1.23
(ii) Unclaimed Dividend :-		
2010-2011	0.36	0.21
2011-2012	1.37	1.52
2012-2013	2.94	2.10
(iii) Call Money Payable	232.50	—
	241.73	5.06

Trade Payables Ageing Schedule

Particulars	Outstanding for following periods from due date of payment				
	Less than - 1 year	1-2 years	2-3 years	More than 3 years	Total
As at March 31, 2023					
(i) MSME	-	-	-	-	-
(ii) Others	4.67	-	-	-	4.67
(iii) Disputed Dues - MSME	-	-	-	-	-
(iii) Disputed Dues - Others	-	-	-	-	-
TOTAL	4.67	-	-	-	4.67

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

FINANCIAL LIABILITIES	As At 31.03.2023	As At 31.03.2022
13. Borrowings other than Debt Securities		
Short Term Borrowings		
(a) Secured Loans	—	—
(b) Unsecured Loans		
Loans Repayable on Demand		
From Body Corporates (From Related Parties)	2746.76	2460.18
From Other	—	—
	2746.76	2460.18



Notes to Financial Statements for the year ended March 31, 2023

(₹ in lakhs)

NON-FINANCIAL LIABILITIES		As At 31.03.2023	As At 31.03.2022
14. Long Term Provisions			
Provision for Employee Benefits (Refer Note 29)			
Provision for Gratuity		—	—
Other Provisions			
Contingent Provision for Standard Assets		46.27	42.15
		46.27	42.15
15. Short Term Provisions			
Provision for Taxation		0.48	72.77
		0.48	72.77
16. Other Non-Financial Liabilities			
Statutory Dues Payable			
Duties & Taxes Payable		17.56	9.45
		17.56	9.45
17. Equity Share Capital			
Equity Shares			
i) Authorised Share Capital			
Equity Shares of Rs. 1 each (P.Y. 1/- each)		6,000.00	6,000.00
		6,000.00	6,000.00
Issued, subscribed and fully paid-up			
Equity Shares of Rs. 1 each (P.Y. 1/- each)		5,340.61	5,090.61
		5,340.61	5,090.61
1. Terms and rights attached to equity shares			
a) Voting			
Each holder of equity shares is entitled to one vote per share held.			
b) Dividends			
The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to approval of the shareholders in ensuing Annual General Meeting except in the case where interim dividend is distributed.			
During the year ended March 31, 2023, the company has recorded per share dividend of Rs. Nil (previous year Nil) to its equity holders.			
c) Liquidation			
In the event of liquidation of the Company, the holders of equity shares shall be entitled to receive all of the remaining assets of the Company, after distribution of all preferential amounts, if any.			
Such distribution amounts will be in proportion to the number of equity shares held by the shareholders.			
d) Bonus Share			
1 (One) Equity Shares for every 1 (one) Equity Share on 02.09.2015 (Shares 243280600 Nos.)			



Notes to Financial Statements for the year ended March 31, 2023

(₹ in lakhs)

NON-FINANCIAL LIABILITIES		As At 31.03.2023	As At 31.03.2022
ii) Reconciliation of number of Shares Outstanding at the beginning and end of the Year			
Particulars	At the End of 31.03.2023	At the End of 31.03.2023	At the End of 31.03.2022
	No.	Amount	No.
Equity Shares			
At the beginning of the Year	509,061,200	5,090.61	509,061,200
Add : Share issued during the year	25,000,000	250.00	—
Outstanding at the end of the year	534,061,200	5,340.61	509,061,200

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

Particulars	At the End of 31.03.2023	At the End of 31.03.2023	At the End of 31.03.2022	At the End of 31.03.2022
	No.	%	No.	%
RRP Management Services Pvt. Ltd.	44,881,000	8.40	44,881,000	8.82
Prabhat Management Services Pvt. Ltd.	43,756,000	8.19	43,756,000	8.60
Total	88,637,000	16.59	88,637,000	17.41

iv) Shareholding of Promoters

Shares held by Promoters at the end of the year		As at March 31, 2023		
S. No.	Promoter Name	No. of Shares	% of Total Shares	% Change During the Year
1	Raj Kumar Modi HUF	5,40,000	0.10	-
2	Rekha Modi	86,40,000	1.62	-
3	Raj Kumar Modi	16,20,000	0.31	-
4	Pushpa Devi Modi	38,28,600	0.72	-
5	Prabhat Management Services Private Limited	4,37,56,000	8.19	-
6	RRP Management Service Private Limited	4,48,81,000	8.40	-
Total		10,32,65,600	19.34	-

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



Notes to Financial Statements for the year ended March 31, 2023

(₹ in lakhs)

NON-FINANCIAL LIABILITIES	As At 31.03.2023	As At 31.03.2022
18. OTHER EQUITY		
a) Statutory Reserve u/s 45IC		
Balance at beginning of the year	315.68	271.89
Additions during the year	—	43.79
Balance at end of the year	315.68	315.68
b) Share Premium Account		
Balance at beginning of the year	613.54	613.54
Additions during the year	2225.00	—
Balance at end of the year	2838.54	613.54
c) General Reserve		
Balance at beginning of the year	—	—
Additions during the year	—	—
Balance at end of the year	—	—
d) Issue of Convertible Warrants		
Balance at beginning of the year	1732.50	—
Add/Less: Issue during the year	-618.75	1732.50
Balance at end of the year	1113.75	1732.50
e) Surplus in Statement of Profit & Loss		
Balance at beginning of the year	1360.28	1197.61
Add: Profit/(loss) for the year	-627.79	218.92
Less: Transfer to Statutory Reserve	—	43.79
Less: Provision for Standard Assets	4.11	12.43
Balance at end of the year	728.38	1360.28
Total Other Equity	4996.34	4022.00

Description of nature and purpose of each reserve:

(a) Statutory Reserve u/s 45IC

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

(b) Share Premium

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

(c) General Reserve

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

(d) Issue of Convertible Warrants

During the year, the Company has allotted 2,50,00,000 equity shares of Rs. 1/- each to non-promoters entity on 24-05-2023 on receipt of balance money upon exercise of option for conversion of equity share warrants. Consequent upon the allotment of shares as mentioned above the paid-up equity capital of the company has increased from 509061200 equity shares to 534061200 equity shares. The remaining equity warrants shall be converted within the specified time limit as per SEBI (Issue of Capital & Disclosure Requirements) Regulations 2018.



Notes to Financial Statements for the year ended March 31, 2023

(e) Retained Earnings

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

(₹ in lakhs)

	As At 31.03.2023	As At 31.03.2022
19. Revenue from Operations		
Sale of Shares	53.44	—
Interest income	844.59	689.55
Income from Sale of Investment	—	11.59
Income from Trading in Future & Option	—	10.78
Miscellaneous Income	1.97	26.27
Dividend Income	2.91	—
	902.92	738.19
20. Other Income		
Income from Jobbing (Shares)	2.12	—
	2.12	—
21. Change in Inventories		
Opening Stock of Shares	24.82	20.26
Closing Stock of Shares	7.09	24.82
	17.74	-4.56
22. Employee Benefits Expenses		
Salaries, Wages and Bonus	62.51	53.91
Staff Welfare Expense	2.55	2.12
	65.06	56.03
23. Finance Costs		
Interest Expense	156.76	71.34
	156.76	71.34
24. Depreciation and Amortisation Expenses		
Depreciation on Property, Plant and Equipment (Refer Note 10)	4.80	1.49
Amortisation of Intangible Assets (Refer Note 10)	—	—
	4.80	1.49



Notes to Financial Statements for the year ended March 31, 2023

(₹ in lakhs)

	As At 31.03.2023	As At 31.03.2022
25. Other Expenses		
Advertisement Expenses	0.47	0.46
Bad Debt Written Off	183.26	247.73
Board Meeting Fee	1.85	2.00
Books Paper & Periodicals	0.87	0.91
Computer Maintenance	0.33	0.12
Conveyance Expenses	3.87	3.01
Custodian Charges-CDSL/NSDL	11.97	4.14
Diwali Expenses	0.72	—
Donation Expenses	4.43	1.00
GST RCM Expenses	—	0.58
Income Tax Appeal Fee	—	0.07
Interest Paid on Taxes	0.07	18.13
Internet Expenses	0.11	—
Legal and Professional Expenses	8.53	10.41
Loss in Trading in Future & Option	55.31	6.90
Miscellaneous Expenses	—	0.01
Office Expenses	6.08	4.19
Postage Expenses	1.82	2.00
Printing and Stationery	1.77	2.02
Registrar and Transfer Agent Fee	0.76	—
Rent Rates & Water, Electricity Charges	17.73	17.28
Roc Filling Fee	0.31	6.08
SEBI Expenses	—	0.21
SEBI Penalty	—	10.00
Share Trading Expenses	8.58	0.08
Stamp Duty Expenses	0.22	0.09
Stock Exchange Expenses	6.21	5.66
Subscription Expenses	2.36	—
Telephone Expenses	0.57	0.60
Training Expenses	0.13	—
Travelling Expenses	1.92	0.35
Vehicle Running & Maintences Expenses	6.36	4.61
Website Development/Maintance Expenses	—	1.42
	326.61	350.05
Payment of Remuneration to Auditors		
Internal Audit	2.40	2.60
Limited Review Audit	—	0.18
Statutory Audit	1.64	1.48
	4.04	4.26
	330.65	354.31



Notes to Financial Statements for the year ended March 31, 2023

(₹ in lakhs)

	As At 31.03.2023	As At 31.03.2022
26. Earnings per Share		
Basic and Diluted Earnings per share (refer footnote)	-0.12	0.04
Nominal value per share (in Rs.)	1.00	1.00
Footnotes:		
(a) Profit attributable to equity shareholders		
Profit for the year	-627.81	218.92
Profit attributable to equity holders of the company for Basic and Diluted EPS	-627.81	218.92
(b) Weighted average number of shares used as the denominator		
Opening balance of issued equity shares	5,090.61	5,090.61
Effect of shares issued during the year, if any	—	—
Weighted average number of equity shares for Basic and Diluted EPS	5,090.61	5,090.61
(c) At present, the Company does not have any dilutive potential equity share.		
27. Contingent liabilities and commitments		
i. A demand of Rs. 2667.15 Lacs has been imposed on the Company by Income Tax Department as at March 31, 2023 (March 31, 2022 Rs. 2667.15 Lacs). The Company has filed appeal before Commissioner of Income Tax (Appeals), Kanpur, against the said demands raised by the Income Tax Department.		
ii. Penalty by SEBI		
The adjudication proceedings on the company under section 15HA of SEBI Act implied a minimum penalty of Rs 5 Lacs and a maximum penalty of Rs 25 Crores, or three times the amount of profits, whichever is higher. The adjudicating officer noted in the order that no disproportionate gain or loss to investor was brought. However, despite vigorous defence against the allegations levied by SEBI in its proceedings, a penalty of INR 10 Lacs was imposed on the company which has been paid during the financial year 2021-22. In response, the company has appealed to the Securities Appellate Tribunal (SAT) against the Adjudication Order passed by SEBI.		
28. Disclosures relating to suppliers registered under Micro, Small and Medium Enterprise Development Act, 2006:		
	As At 31.03.2023	As At 31.03.2022
The principal amount and the interest due thereon remaining unpaid to any MSME supplier as at the end of each accounting year included in:	—	—
Principal amount due to Micro and Small Enterprises Interest due on above	—	—
The amount of interest paid by the buyer in terms of section 16 of the MSMED ACT 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	—	—
The amounts of the payments made to micro and small suppliers beyond the appointed day during each accounting period.	—	—
The amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointment day during the year) but without adding the Interest specified under the MSMED Act, 2006.	—	—
The amount of interest accrued and remaining unpaid at the end of each accounting year.	—	—
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible under section 23 of the MSMED Act 2006.	—	—

29. Employee benefits

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



Defined contribution plans:

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

There are no Contribution to Provident Fund as at March 31, 2023 (March 31, 2022 Rs. Nil).

30. ADDITIONAL DISCLOSURE REQUIREMENTS

(i) Relationship With Struck off Companies

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

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

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

(iii) Compliance With Number of Layers of Companies:

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

(iv) Utilization of Borrowed Funds and Share Premium

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

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

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

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

(v) Undisclosed Income

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

(vi) Details of Crypto Currency or Virtual Currency

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

(vii) Disclosure of Benami Property

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

(viii) Disclosure of Borrowings

The Company does not have any borrowings from banks and financial institutions during the year and as at March 31, 2023.

(ix) Wilful Defaulter

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

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

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

(xi) Revaluation of Property, Plant and Equipment

No Property, Plant and Equipment is revalued by company during the year.

(xii) Revaluation of Intangible Asset

No Intangible asset is revalued by company during the year.



(xiv) Investment in property

No investment property is held by the company as at Balance sheet date.

(xv) Disclosure on Loans and Advances

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

(xvi) Financial Ratio

	As At 31.03.2023	As At 31.03.2022
Capital to Risk-weighted Assets Ratio (CRAR)	0.69%	0.81%
Tier I CRAR	0.68%	0.81%
Tier II CRAR	0.00%	0.00%
Liquidity Coverage Ratio for the quarter ended March 31	-0.01%	-0.02%

31. Related Party Disclosures:

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

Details of Related Party Transactions for the year ended March 31, 2023

A) Enterprises in which Directors are interested

Amarendra Financial Pvt. Ltd.

B) Key Managerial Personnel

- Mr. Raj Kumar Modi - Managing Director
- Mrs. Rekha Modi - Non-Executive Director
- Mr. Prabhat Modi - Whole Time Director
- Mr. Chandresh Kumar Sharma - Chief Financial Officer
- Mr. Kailash - Company Secretary/Compliance Officer

C) Non-Executive Independent Directors

- Mr. Mahavir Prasad Garg
- Mr. Yogesh Kumar Garg
- Mr. Abhay Kumar (Cessation w.e.f. 23-03-2023)
- Mr. Satyam Jaiswal (from 31-03-2023 to 20-06-2023)
- Ms. Deepali Sehgal Kulshrestha (Appointed w.e.f. 19-06-2023)

D) Transactions during the year ended March 31, 2023

(₹ in lakhs)

Sr. No.	Particulars	Year Ended 31-03-2023
1.	Enterprises in which directors are interested	
	- Amarendra Financial Pvt. Ltd.	2746.76
2.	Rent / Usage Charges Paid	
	- Rekha Modi	2.66
3.	Managerial Remuneration	
	- Key Management Personnel	
	Salaries, Wages, Bonus, Commission and others Benefits	40.08
	- Non - Executive Directors	
	Director Sitting Fees	1.85



Terms and conditions of transactions with the related parties:

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

32. Public Deposits

The Company has not accepted any deposits from public during the year ended on 31st March, 2023 & previous year ended on 31st March, 2022.

33. Income taxes

A. Amounts recognised in Profit or Loss

	As at March 31, 2023	As at March 31, 2022
Current Tax Expense		
Current year	—	72.77
Adjustment for prior years	—	0.78
	—	73.55
Deferred tax expense		
Change in recognised temporary differences	0.08	0.21
	0.08	0.21
Total Tax Expense	0.08	73.76

B. Amounts recognised in Other Comprehensive Income

	As at March 31, 2023			As at March 31, 2022		
	Before tax	Tax (Expense)/ Income	Net of tax	Before tax	Tax (Expense)/ Income	Net of tax
Remeasurements of defined benefit liability	—	—	—	—	—	—
Changes in fair value of financial instruments	8.50	—	8.50	37.66	—	37.66
	8.50	—	8.50	37.66	—	37.66

Note : Pursuant to Taxation Laws (Amendment) Ordinance 2019, the company intends to exercise the option permitted u/s 115BAA of the Income Tax Act, 1961 to compute Income Tax at the rate (i.e. 25.17%) from the current Financial Year. The Tax expense for the quarter and year ended March 31, 2023 is after considering the impact of Revised Tax Rates and accordingly by revising the annual effective Interest tax rates, deferred tax assets/liabilities have been re-measured.

34. There are no borrowing costs that have been capitalised during the year ended March 31, 2023 and March 31, 2022.
35. There have been no events after the reporting date that require adjustment/disclosure in these Financial Statements.
36. 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.
37. Balance due to / from some of the parties are subject to confirmation.
38. Previous year's figures are regrouped, reclassified and rearranged wherever considered necessary to confirm to current year's presentation.



39. Quantitative 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	2871952	24,82,324
(Previous Year)	2871452	20,26,047
Purchases	—	—
(Previous Year)	500	4,56,277
Sales	1487807	53,44,208
(Previous Year)	—	—
Closing Stock	1384145	8,53,568
(Previous Year)	2871952	24,82,324

As per our report of even date attached
For PANKAJ GUPTA & CO.
Chartered Accountants
Firm Registration No.019302N

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

(CA. PANKAJ GUPTA)
Partner
Membership No. : 501398

(RAJ KUMAR MODI)
Managing Director
DIN : 01274171

(REKHA MODI)
Director
DIN : 01274200

(PRABHAT MODI)
Whole Time Director
DIN : 08193181

Place : New Delhi
Date : 29.05.2023

(CHANDRESH KUMAR SHARMA)
Chief Financial Officer
PAN: ATHPS2613M

(KAILASH)
Company Secretary
Membership No: A51199



**Schedule to the Balance Sheet
of a Non-Deposit taking Non-Banking Financial Company
(as required in terms of paragraph 13 of Non-Banking Financial
(Non Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2016)**

(₹ in lakhs)

Sr. No	Particulars	Amount Outstanding	Amount Overdue
	Liabilities side		
(1)	Loans and advances availed by Non-Banking Financial Company inclusive of interest accrued thereon but not paid:	Amount Outstanding	Amount Overdue
	(a) Debentures : Secured	-	-
	: Unsecured	-	-
	(other than falling within the meaning of public deposits*)		
	(b) Deferred Credits	-	-
	(c) Term Loans	-	-
	(d) Inter -Corporate Loans and Borrowing	2746.76	-
	(e) Commercial Paper	-	-
	(f) Other Loans	-	-

(₹ in lakhs)

Sr. No	Particulars	Amount Outstanding
	Assets side	
(2)	Break-up of Loans and Advances including bills receivables (other than those included in (4) below:	Amount Outstanding
	(a) Secured	-
	(b) Unsecured	11566.59
(3)	Break-up of Leased Assets and stock on hire and other assets counting towards AFC activities	
	(i) Lease assets including lease rentals under sundry debtors:	
	(a) Financial lease	-
	(b) Operating lease	-
	(ii) Stock on hire including hire charges under sundry debtors:	
	(a) Assets on hire	-
	(b) Repossessed Assets	-
	(iii) Other loans counting towards AFC activities	
	(a) Loans where assets have been repossessed	-
	(b) Loans other than (a) above	-



(₹ in lakhs)

(6) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):			
Category	Market Value/ Break up or fair value or NAV	Book Value (Net of Provisions)	
(1) Related Parties**			
(a) Subsidiaries	-	-	
(b) Companies in the same group	-	-	
(c) Other Related Parties	-	-	
(2) Other than related parties	1455.96	139.57	
Total	1455.96	139.57	

** As per Accounting Standard of ICAI

(₹ in lakhs)

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

(8) Exposure

1) Exposure to Real Estate Sector

(Amount in ₹ crore)

Category	Current Year	Previous Year
<i>i) Direct exposure</i>		
a) Residential Mortgages – Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented. Exposure would also include non-fund based (NFB) limits.	Nil	Nil
b) Commercial Real Estate – Lending secured by mortgages on commercial real estate (office buildings, retail space, multipurpose commercial premises, multifamily residential buildings, multi tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits.	Nil	Nil



(Amount in ₹ crore)

Category		Current Year	Previous Year
c)	Investments in Mortgage-Backed Securities (MBS) and other securitized exposures –		
	i. Residential	Nil	Nil
	ii. Commercial Real Estate	Nil	Nil
ii)	<i>Indirect Exposure</i> Fund based and non-fund-based exposures on National Housing Bank and Housing Finance Companies.	Nil	Nil
Total Exposure to Real Estate Sector		Nil	Nil

2) Exposure to Capital Market

(Amount in ₹ crore)

Particulars	Current Year	Previous Year
i) Direct investment in equity shares, convertible bonds, convertible debentures and units of equity oriented mutual funds the corpus of which is not exclusively invested in corporate debt	16.04	4.87
Total Exposure to Capital Market	16.04	4.87

3) Sectoral exposure

(Amount in ₹ crore)

Sectors	Current Year			Previous Year		
	Total Exposure (includes on balance sheet and off-balance sheet exposure)	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector	Total Exposure (includes on balance sheet and off-balance sheet exposure)	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector
1. Agriculture and Allied Activities	—	—	—	—	—	—
2. Industry	—	—	—	—	—	—
3. Corporate	68.30	—	—	68.22	—	—
4. Services	—	—	—	—	—	—
5. Personal Loans	—	—	—	—	—	—
6. Others, if any	47.37	—	—	36.87	—	—



(Amount in ₹ crore)

4) Intra-group Exposures

Particulars	As at March 31,	
	2023	2022
i) Total amount of intra-group exposures	Nil	Nil
ii) Total amount of top 20 intra-group exposures	Nil	Nil
iii) Percentage of intra-group exposures to total exposure of the NBFC on borrowers/customers	Nil	Nil

5) Unhedged foreign currency exposure: Nil (March 31, 2022-Nil)

As per our report of even date attached
For PANKAJ GUPTA & CO.
Chartered Accountants
Firm Registration No.019302N

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

(CA. PANKAJ GUPTA)
Partner
Membership No. : 501398

(RAJ KUMAR MODI)
Managing Director
DIN : 01274171

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Company Secretary
Membership No: A51199

PMC Fincorp Limited

-: Corporate Office :-

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