

21<sup>ST</sup>

**ANNUAL REPORT**

**2013 – 2014**

**PARNAMI CREDITS LIMITED**

**BOARD OF DIRECTORS:**

As on May 29, 2014

Sh. Tribhawan Kumar Parnami	Managing Director
Sh. Naresh V. Patade	Whole Time Director
Sh. Anil Kumar Parnami	Director
Sh. Raman Kumar Parnami	Director
Sh. Brajesh Kataria	Director
Sh. Anil Khanna	Director
Sh. Kishan Chand Wadhwa	Director
Sh. Ranjeet P. Sharma	Director

**COMPANY SECRETARY:**

Sh. Ramkrishna Shukla

**AUDITORS:**

M/s Vinod Arora & Co.  
*Chartered Accountants*  
211-212, Apna Bazar  
Gurgaon (Haryana) - 122 001

**REGISTERED OFFICE:**

Parnami Tower  
SCO 50-51, II<sup>nd</sup> Floor, Old Judicial Complex, Civil Lines,  
Gurgaon (Haryana) - 122 001  
CIN: L65910HR1993PLC032070  
Website: [www.parnamicredits.co.in](http://www.parnamicredits.co.in)

**ADMINISTRATIVE OFFICE:**

Premise No 201, 2<sup>nd</sup> Floor, 'A' wing,  
Shah Arcade - II, Rani Sati Marg, Malad (East),  
Mumbai – 400097

**BANKERS:**

Bank of Baroda  
Jammu & Kashmir Bank Ltd.  
H.D.F.C. Bank Ltd.

**Registrar & Share Transfer Agent:**

Mas Services Limited  
T-34, 2nd Floor, Okhla Industrial Area,  
Phase - II,  
New Delhi - 110 020  
Email:- [info@masserv.com](mailto:info@masserv.com)  
Website: [www.masserv.com](http://www.masserv.com)

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**NOTICE** is hereby given that the 21<sup>st</sup> Annual General Meeting of the Members of the Company will be held on Tuesday, the 30<sup>th</sup> day of September, 2014 at 10.00 A.M. at Queen Pearl, Opp. Distt. Court, Rajiv Chowk, Gurgaon to transact the following business:

#### **ORDINARY BUSINESS:**

1. To consider and adopt the Audited Profit and Loss Account, Cash Flow Statement for the year ended 31<sup>st</sup> March 2014, Balance Sheet as on date along with Auditors' Report, Directors' Report, Management Discussion and Analysis and Corporate Governance Report thereon.
2. To appoint director in place of Mr. Brajesh Kataria (DIN 00668977), who retires by rotation and being eligible offers himself for re-appointment does not offer himself for re-appointment under section 164 of the Companies Act, 2013.
3. To pass the following resolution with or without modification:

“RESOLVED THAT pursuant to the provisions of Sections 139 and other applicable provisions, if any, of the Companies Act, 2013, M/s. Subramaniam Bengali & Associates, Chartered Accountants, Mumbai, having Firm Registration No. 127499W as issued by the Institute of Chartered Accountants of India be and are hereby appointed as Statutory Auditors of the Company in place of retiring Statutory Auditors M/s. Vinod Arora & Co., Chartered Accountants, who have expressed their unwillingness to continue as Statutory Auditor of the Company, at a remuneration to be decided by the Board of Directors of the Company, based on the recommendation of the Audit Committee, in addition to reimbursement of all out-of-pocket expenses in connection with the audit of the accounts of the Company for the year ending March 31, 2015”.

#### **SPECIAL BUSINESS:**

4. To consider & if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

“RESOLVED THAT in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and subject to the requisite approvals, if any required, approval of the Company be and is hereby accorded to the appointment of Mr. Naresh Patade (DIN: 06706482) as an Whole Time Director of the Company, for a period of 3 (three) years

w.e.f. February 1, 2014 on the terms and conditions including terms of remuneration as set out in the explanatory statement attached hereto and forming part of this notice with a liberty to the Board of Directors (hereinafter referred to as “the Board” which term shall be deemed to include the Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions of the said appointment and/or remuneration so as the total remuneration payable to him shall not exceed the limits specified in Schedule V of the Companies Act, 2013 including any Statutory modification or re-enactment thereof, for the time being in force and as agreed by and between the Board and Mr. Naresh Patade.”

“RESOLVED FURTHER THAT notwithstanding anything contained to the contrary in the Companies Act, 2013, wherein any financial year the Company has no profits or inadequate profit, Mr. Naresh Patade will be paid remuneration within the ceiling limit prescribed under Schedule V of the Companies Act, 2013 or any modification or re-enactment thereof.”

“RESOLVED FURTHER THAT in the event of any statutory amendment or modification by the Central Government to Schedule V of the Companies Act, 2013, the Board be and is hereby authorized to vary and alter the terms of appointment including salary, perks and other benefits payable to Mr. Naresh Patade within such prescribed limit or ceiling as agreed by and between the Board and Mr. Naresh Patade without any further reference to the Company in General Meeting.”

“RESOLVED FURTHER THAT the Board of Directors or its Committee thereof be and is hereby authorized to take all such steps as may be deemed necessary, proper or expedient to give effect to this resolution.”

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 150 and 152 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Rules framed thereunder, read with Schedule IV to the Act, as amended from time to time, Mr. Ranjeet Sharma (DIN: 00033074), a Non-Executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act, who is eligible for appointment and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company for a period of 5 (five) consecutive years upto March 31, 2019.”

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

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 150 and 152 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Rules framed thereunder, read with Schedule IV to the Act, as amended from time to time, Mr. Anil Khanna (DIN: 02435647), a Non-Executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act, who is eligible for appointment and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company for a period of 5 (five) consecutive years upto March 31, 2019.”

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

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 150 and 152 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Rules framed thereunder, read with Schedule IV to the Act, as amended from time to time, Mr. Kishan Chand Wadhwa (DIN: 01557374), a Non-Executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act, who is eligible for appointment and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company for a period of 5 (five) consecutive years upto March 31, 2019.”

**For and on Behalf of the Board of Directors**

**SD/-**

**Tribhawan Kumar Parnami**  
**Managing Director**  
**(DIN - 01186423)**

**Place: Gurgaon**  
**Dated: September 4, 2014**

**NOTES:**

- (1) **A MEMBER ENTITLED TO ATTEND AND VOTE AT THIS MEETING IS ALSO ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.** A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company.
- The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. A Proxy form is sent herewith. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution/authority letter, as applicable.
- (2) An Explanatory Statement pursuant to provisions of Section 102 of the Companies Act, 2013, which sets out details relating to Special Business to be transacted at the meeting, is annexed hereto.
- (3) The Register of Members and Share Transfer Books of the Company will remain closed from Thursday, September 25, 2014 to Tuesday, September 30, 2014 (both days inclusive) for the purpose of this Annual General Meeting.
- (4) Members who attend the Meeting are requested to complete the enclosed attendance slip and deliver the same at the entrance of the Meeting Hall.
- (5) Members are requested to bring their copy of the Annual Report at the time of attending the Annual General Meeting.
- (6) 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 not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.
- (7) Members who are holding shares in identical order of names in more than one folio are requested to send to the Company's Registrar and Transfer Agent, M/s. MAS Services Limited details of such folio together with the share certificates for consolidating their holding in one folio. The share certificates will be returned to the Member/s. after making requisite changes thereon
- (8) Non-resident Indian Shareholders are requested to inform the Company immediately:
- Change in residential status on return to India for permanent settlement.
  - Particulars of bank account maintained in India with complete name, branch, branch code, account type, account number and address of bank, if not furnished earlier.
  - Copy of Reserve Bank of India permission.
- (9)
- Members holding shares in physical form are requested to advise immediately change in their address, if any, quoting their folio number(s) to the Registrar & Share Transfer Agent of the Company.
  - Members holding shares in the electronic form are requested to advise immediately change in their address, if any, quoting their Client ID number, to their respective Depository Participants.
- (10) Members may avail dematerialization facility by opening Demat Accounts with the Depository Participants of either National Securities Depository Limited or Central Depository Services (India) Limited and get the equity share certificates held by them dematerialized. The ISIN No. of the Company is **INE837C01013**.
- (11) Corporate members intending to send their authorized representative to attend the meeting are requested to send to the Company, a certified true copy of the Board resolution authorizing their representative to attend and vote on their behalf at the meeting.
- (12) 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 Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company/Registrar & Share Transfer Agent i.e. M/s. MAS Services Limited.
- (13) Members may also note that the Notice of the Annual General Meeting and the Annual Report for 2014 will also be available on the Company's website [www.parnamicredits.co.in](http://www.parnamicredits.co.in) for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office in Gurgaon for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's investor email id: [info@masserv.com](mailto:info@masserv.com)
- (14) A special notice in terms of Section 115 of the Companies Act, 2013, has been received under Section 140 from the member of the Company proposing the appointment of M/s. Subramaniam Bengali & Associates, Chartered Accountants, Mumbai, as Statutory Auditors of the Company, in place of M/s. Vinod Arora & Co., Chartered Accountants, Gurgaon, the retiring Auditors of the Company who had shown their unwillingness for reappointment as Statutory Auditor of the Company. The retiring auditors of the Company have no representation to make for notification to the Board and Members of the Company relating to special notice.

**(15) Voting through electronic means**

- I. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the 21<sup>st</sup> Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services Limited (CDSL):

- Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the number of shares held by you as on the cutoff date in the Dividend Bank details field.

(vii) After entering these details appropriately, click on "SUBMIT" tab.

(viii) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

Click on the EVSN for the relevant <Company Name> on which you choose to vote.

On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.com> and register themselves as Corporates.

- They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

**The instructions for members for voting electronically are as under:-**

In case of members receiving e-mail:

- (i) Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- (ii) Click on "Shareholders" tab.
- (iii) Now Enter your User ID
- a. For CDSL: 16 digits beneficiary ID,
- b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
- c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (iv) Next enter the Image Verification as displayed and Click on Login.
- (v) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vi) If you are a first time user follow the steps given below:
- For Members holding shares in Demat Form and Physical Form
- PAN\* Enter your 10 digit alpha-numeric \*PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)
- Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/folio number in the PAN field.
  - In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.
- DOB Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
- Dividend Bank Details Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.

- After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

In case of members receiving the physical copy:

- (A) Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.
- (B) The voting period begins on September 22, 2014 and ends on September 23, 2014. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of August 29, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

- (C) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

**For members who wish to vote using ballot form:**

- (A) Pursuant to Clause 35B of the listing agreement, Members may fill in the ballot form enclosed with the Notice (a copy of the same is also part of the soft copy of the Notice) and submit the same in a sealed envelope to the Scrutinizer, Mr. Kundan Agrawal, C/o. Parnami Credits Limited, Parnami Tower 2nd Floor, SCO 50-51 Old Judicial Complex Civil Lines, Gurgaon, Haryana-122001, so as to reach by 6.00 p.m. on September 23, 2014. Unsigned, incomplete or incorrectly ticked forms are liable to be rejected and the decision of the Scrutinizer on the validity of the forms will be final.
- (B) In the event, a member casts his votes through both the processes i.e. e-voting and ballot form, the votes in the electronic system would be considered and the ballot form would be ignored

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**STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**

The following explanatory statement sets out all material facts relating to the Special Business mentioned in the accompanying notice:

**Item No. 4:**

The Board of Director of the Company at their meeting held on January 25, 2014 appointed Mr. Naresh Patade as Whole Time Director for a period of 3 (three) years with effect from February 1, 2014.

Mr. Naresh Patade is a Commerce graduate from Mumbai University and has also done his Master in Business Administration.

Your Board is of the opinion that considering the experience of Mr. Naresh Patade, his appointment as Whole Time Director will be beneficial to the Company. The terms and conditions including the remuneration to be paid in the event of loss or inadequacy of profit in any financial year during the tenure of his appointment are provided are stated below-

The Whole Time Director shall be entitled to a Monthly Salary in the range of Rs. 1,00,000/- to Rs. 2,00,000/- per month.

The Monthly Salary includes Basic, DA, HRA, Conveyance, Leave Travel Allowance, Incentive and Medical Allowance

If at any time Mr. Naresh Patade ceases to be in the employment of the Company for any cause whatsoever, he shall be ceased to be a Director of the Company.

The Remuneration Committee/ Board of Director will determine the amount of increment payable every year depending on the performance of the Whole Time Director, profitability of the Company and other relevant factors.

Considering his versatile and diversified experience towards growing business activities and the responsibilities shouldered by him, the Board of Directors on the recommendation of Nomination and Remuneration Committee at its meeting held on January 25, 2014, appointed Mr. Naresh Patade as a Whole Time Director for a period of 3 (three) years w.e.f. February 1, 2014 at a remuneration upto Rs. 2,00,000/- (Rupees Two Lakhs) per month including salary, perks and other benefits with a liberty to the Board of Directors or Nomination and Remuneration Committee to revise the remuneration without approval of Shareholders within the prescribed ceiling limit of Schedule V and other applicable provisions of the Companies Act, 2013.

In the event of absence or inadequacy of profits of the Company in any financial year, Mr. Naresh Patade will be

entitled to receive the remuneration, perquisites and benefits as aforesaid, subject to the compliance with the applicable provisions of Schedule V of the Companies Act, 2013

The Whole Time Director shall not be paid any sitting fees for attending the meeting of the Board of Directors or Committee thereof.

The Board of Directors recommends the said resolution for your approval.

Mr. Naresh Patade including his relative/s is deemed to be interested in the said resolution as it relates to his appointment. None of the other Directors or any key managerial personnel or any relative of any of the Directors of the Company or the relatives of any key managerial personnel is, in anyway, concerned or interested in the above resolution.

**Item No. 5 to 7:**

The Company had, pursuant to the provisions of clause 49 of the Listing Agreements entered with the Stock Exchanges, appointed Mr. Ranjeet Sharma, Mr. Anil Khanna and Mr. Kishan Chand Wadhwa, as Independent Directors of the Company at various times, in compliance with the requirements of the clause.

Pursuant to the provisions of section 149 of the Act which came in to effect from April 1, 2014, every listed public company is required to have at least one-third of the total number of directors as Independent Directors, who are not liable to retire by rotation. Pursuant to clause 49 of the Listing Agreement as entered with the Stock Exchanges (to come into force w.e.f. October 1, 2014), an Independent Director cannot hold office for more than two consecutive terms of five years each and any tenure of an Independent Director on the commencement of the Companies Act, 2013 shall not be counted as a term.

Mr. Ranjeet Sharma, Mr. Anil Khanna and Mr. Kishan Chand Wadhwa, Independent Directors of the Company, have given a declaration to the Board that they meet the criteria of independence as provided under Section 149(6) of the Act. In the opinion of the Board, each of these Directors fulfill the conditions specified in the Act and the Rules framed thereunder for appointment as Independent Director.

Mr. Ranjeet Sharma, Mr. Anil Khanna and Mr. Kishan Chand Wadhwa are not disqualified from being appointed as Directors in terms of Section 164 of the Act and have given their consent to act as Directors.

The Company has received notices in writing from member alongwith the deposit of requisite amount under Section 160 of the Act proposing the candidatures of each of Mr. Ranjeet Sharma, Mr. Anil Khanna and Mr. Kishan Chand Wadhwa for the office of Directors of the Company.



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

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

Brief resume and other details of the Independent Directors whose appointment is proposed are provided in the Annexure to the Notice.

Mr. Ranjeet Sharma, Mr. Anil Khanna and Mr. Kishan Chand Wadhwa are deemed to be interested in the resolutions set out at Item no. 4 to 6 of the Notice with regard to their respective appointment.

The Board of Directors recommends the said resolution for your approval.

Save and except above, none of the other Directors or key managerial personnel or any relative of any of the Directors of the Company or the relatives of any key managerial personnel is, in anyway, concerned or interested in the above resolutions.

**For and on Behalf of the Board of Directors**

**SD/-**

**Place: Gurgaon  
Dated: September 4, 2014**

**Tribhawan Kumar Parnami  
Managing Director  
(DIN NO- 01186423)**

## ANNEXURE TO NOTICE

**DETAILS OF DIRECTORS TO BE APPOINTED /SEEKING RE-APPOINTMENT AT THE  
FORTHCOMING ANNUAL GERERAL MEETING (Pursuant to clause 49 of the Listing Agreement)**

<b>Name of the Director</b>	<b>Ranjeet Sharma</b>	<b>Anil Khanna</b>	<b>Kishan Chand Wadhwa</b>
<b>Director Identification Number</b>	00033074	02435647	01557374
<b>Date of Birth</b>	August 2, 1985	August 16, 1959	March 04, 1948
<b>Nationality</b>	INDIAN	INDIAN	INDIAN
<b>Date of appointment on the Board</b>	February 1, 2014	June 28, 2003	June 28, 2003
<b>Relationship with other director</b>	None	None	None
<b>Qualifications</b>	B.Com, ACS, LLB	M.Com	B.A.
<b>Number of shares held in the Company</b>	NIL	NIL	NIL
<b>List of Directorships held in other public companies</b>	Nil	Nil	Nil
<b>Chairman/Member of the Committees of the Boards of other companies in which he is Director as on 31.03.2014</b>	Nil	Nil	Nil

**DIRECTORS' REPORT****TO  
THE MEMBERS  
PARNAMI CREDITS LIMITED**

The Directors are pleased to present the 21<sup>st</sup> Annual Report on the business and operations of the company together with Audited Balance Sheet as at 31st March 2014.

**OPERATION AND FINANCIAL RESULTS:**

The summary of operation and financial results of the company for the year with comparative figures for last year is as under:

***Rupees in Lakhs***

<b>Particulars</b>	<b>For the Financial year 2013-14</b>	<b>For the Financial year 2012-13</b>
Income from operation	67.30	56.92
Profit before interest Depreciation and Tax	27.08	6.45
Interest	8.91	10.54
Stock Valuation Difference	-	-
Profit before tax	26.02	5.09
Profit after tax	20.02	3.53

*Note: As per the directions / guidelines issued by the Reserve Bank of India, your Company is not accepting public deposits.*

**REVIEW OF OPERATIONS AND FUTURE PROSPECTS:**

The Company being a registered NBFC has during the financial year under review has generated revenue of Rs. 67.30 lacs (previous year 56.92 lacs) from operational activity, resulting in net profit of Rs. 20.03 lacs (previous year Rs. 3.53/- lacs)

**DIRECTORS**

During the year under review the Board of Directors of the Company at their meeting held on January 25, 2014 has appointed Mr. Naresh Patade, as Whole Time Director and Mr. Ranjeet Sharma, as Non – Executive Independent Director of the Company w.e.f. February 1, 2014.

The Company had, pursuant to the provisions of clause 49 of the Listing Agreements entered into with Stock Exchanges, appointed Mr. Ranjeet Sharma, Mr. Anil Khanna and Mr. Kishan Chand Wadhwa as Independent

Directors of the Company. As per Section 149(4) of the Companies Act, 2013, which came into effect from April 1, 2014, every listed public company is required to have at least one-third of the total number of directors as Independent Directors.

In accordance with the provisions of Section 149 of the Companies Act, 2013, these Directors are being appointed as Independent Directors to hold office as per their tenure of appointment mentioned in the Notice of the forthcoming Annual General Meeting of the Company.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Companies Act, 2013 and under Clause 49 of the Listing Agreement with the Stock Exchanges.

Brief details of Directors proposed to be appointed/re-appointed as required under Clause 49 of the Listing Agreement are provided in the Notice of Annual General Meeting forming part of this Annual Report.

**LISTING ON THE BOMBAY STOCK EXCHANGE LIMITED**

During the year under review the Board of Directors of the Company has decided to list the securities of the Company on the Bombay Stock Exchange Limited (the BSE) under the Direct Listing route as specified by SEBI after complying with all the regulatory and statutory compliances / guidelines. On July 15, 2014 the Company has received In-Principal approval letter from the BSE for listing of 33,52,800 Equity shares of the Company on the BSE platform.

Further to inform that the Company upon receipt of In-Principal approval from the BSE has filed the application for listing of 33,52,800 Equity shares of the Company. The approval for the same is awaited.

**FORFEITURE OF SHARES**

During the year under review Board of Directors at their meeting held on December 16, 2013 have forfeited 16,56,660 Equity shares of Rs. 10/- each after due compliance with all the regulatory and statutory authorities. Also the Company has transferred Rs. 43,14,040/- to capital reserves account, being amount received towards the forfeited shares.

**DEPOSITS**

The Company has not invited/accepted any deposits from the public during the financial year ended March

31, 2014. There were no unclaimed or unpaid deposits as on March 31, 2014.

**INFORMATION UNDER SECTION 217 (1) (e) OF THE COMPANIES ACT, 1956**

The particulars relating to conservation of energy and technology absorption required to be furnished pursuant to Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 pertaining to conservation of energy and technology absorption, are not applicable to the Company.

**Foreign Exchange Earnings and Outgo**

(a)	Activities relating to exports; initiatives taken to increase exports; development of new export markets for products and services and export plans	:	N.A.
(b)	Foreign Exchange Earned	:	Nil (Previous year : Nil)
(c)	Foreign Exchange Outflow	:	Nil (Previous Year : Rs. Nil)

**DIRECTORS' REponsibility STATEMENT**

Pursuant to Section 217(2AA) of the Companies Act, 1956, as amended by the Companies (Amendment) Act, 2000, the Directors confirm that –

- (i) in the preparation of the annual accounts, the applicable accounting standards have been followed with proper explanations relating to material departures, if any.
- (ii) appropriate accounting policies have been selected and applied consistently and the Directors have made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2014 and of the Profits for the financial year from 1st April, 2013 to 31st March, 2014.
- (iii) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (iv) the annual accounts have been prepared on a going concern basis.

**CORPORATE GOVERNANCE**

The Company has vigorously striven to follow the best corporate governance practices aimed at building trust among the key stakeholders, shareholders, employees, customers, suppliers and other stakeholders on four key elements of corporate governance - transparency, fairness, disclosure and accountability and the Certificate from Practicing Company Secretary forms a part of this Report.

**MANAGEMENT DISCUSSION AND ANALYSIS**

The Management Discussion and Analysis Report on the operations of the Company is provided in a separate section and forms part of this Report.

**PARTICULARS OF EMPLOYEES**

No employee is covered under the Provisions of Section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975.

**Auditors and Auditors' Report**

M/s. Vinod Arora & Co, Chartered Accountants, existing Auditors have shown their unwillingness to continue as the statutory auditors of the Company. The Board of Directors at their meeting held on September 4, 2014 upon recommendation from the audit committee have appointed M/s. Subramaniam Bengali & Associates, Chartered Accountant, Mumbai as the statutory auditors of the Company to hold office upto the conclusion of the next Annual General Meeting. Pursuant to the provisions of Section 139 of the Companies Act, 2013 and Companies (Audit and Auditors) Rules, 2014,

M/s. Subramaniam Bengali & Associates are proposed to be appointed as Auditors, to hold office up-to the conclusion of the next Annual General Meeting.

Pursuant to the provisions of Companies (Audit and Auditors) Rules, 2014, M/s. Subramaniam Bengali & Associates has certified that the following:

- a. They are eligible for appointment and are not disqualified for appointment under the Companies Act, 2013, the Chartered Accountants Act, 1949 and rules/regulations made thereunder;
- b. The proposed appointment is as per the term provided under the Companies Act, 2013;
- c. The proposed appointment is within the limits laid down by or under the authority of the Companies Act, 2013;
- d. There are no proceedings against the audit firm or any partner of the audit firm pending with respect to professional matters of conduct.

The Board of Directors recommends to the shareholders the appointment of M/s. Subramaniam Bengali & Associates, as Auditors of the Company.

The observations and comments given in the report of the Auditors read together with notes to accounts are self explanatory and hence do not call for any further information and explanation under Section 217(3) of the Companies Act, 1956.

#### **APPOINTMENT OF COMPANY SECRETARY**

During the year under review the management of the Company has appointed Mr. Ramkrishna Shukla, as the Company Secretary and Compliance officer of the Company. Mr. Ramkrishna is a qualified company secretary and holds a valid membership number as provided by the Institute of Company Secretaries of India.

#### **ACKNOWLEDGEMENTS**

Your Board takes this opportunity to place on record its appreciation for the dedication and commitment of employees shown at all levels which have contributed to the success of your Company. Your Directors also express their gratitude for the valuable support and co-operation extended by various Governmental authorities, including, Ministry of Corporate Affairs, Stock Exchanges, Depositories and other stakeholders including banks, financial Institutions, viewers, vendors and service providers.

**For and on behalf of the Board of Directors**

**Sd/-**

**T. K. Parnami**

**Managing Director**

**DIN: 01186423**

**REPORT ON CORPORATE GOVERNANCE****I. Company's Philosophy on Code of Corporate Governance**

The Company continues to believe in its philosophy that Corporate Governance envisages the attainment of the highest level of transparency, accountability and equity in all areas of its operations and interactions with customers, shareholders, investors, employees, and government authorities.

The Company is committed to good Corporate Governance. The Company respects the right of its holders to information on the performance of the Company and it is endeavor to maximize the long term value of the shareholder of the Company. The Compliance report is prepare and given below in conformity with the mandatory requirements of the Listing Agreement with the Stock Exchange.

The Company emphasizes on good Corporate Governance and believes in maintaining highest standards of quality and ethical conduct in all activities of the Company.

**II. Board of Directors (Board)****Composition**

The Company is managed and controlled through Board of Directors. The Composition of the Board of Directors as on date is as follows:

- a) Executive Director - Two  
 b) Non Executive Director - Six  
 (Out of which three are Non Executive and Independent Directors)  
 c) **Total - Eight**

**a) Board Composition**

Particulars	No. of Directors
<b>Chairman of the Board of Directors</b>	<b>1</b>
<b>Non-executive Directors (NED)</b>	<b>6</b>
<b>(Independent Directors out of the above NED)</b>	<b>3</b>
<b>Executive Director</b>	<b>2</b>
<b>Managing Director</b>	<b>1</b>
<b>Whole Time Director</b>	<b>1</b>
<b>Total</b>	<b>8</b>

b) All the directors have made the necessary disclosures regarding Committee positions. None of the Directors is a Member of more than 10 Committees and Chairman of more than 5 Committees across companies in which he is a Director.

c) Shareholding of Non Executive Directors:

Following are the details of Shares held by the Non-Executive director in the Company:

Name of the Non Executive Director	No of Shares held	% of total Share Capital
ANIL KUMAR PARNAMI	93100	2.77%
RAMAN KUMAR PARNAMI	111600	3.32%

## Board Meetings

During the financial year 2013-2014, the Board met 7 (Six) times as follows:

Date of Board Meeting	Total number of Directors on the date of meeting	Number of Directors who attended
30.05.2013	6	6
05.08.2013	6	6
11.11.2013	6	6
14.11.2013	6	6
26.12.2013	6	6
25.01.2014	6	6
14.02.2014	6	5

Board Meetings are held in every quarter. The attendance record of the participation of directors at the Board Meeting and Annual General Meeting from 01.04.2013 to 31.03.2014 is s follows:

S.No	Name of Director	Category (see Note 1)	Attendance at Board Meetings held during FY 2012 – 2013		Attendance at last AGM held on 30.09.2013
			Held	Attended	
1	Brajesh Kataria	NED	Yes	Yes	Yes
2	Anil Parnami	NED	Yes	No	Yes
3	Tribhawan Kumar Parnami	MD (P)	Yes	No	Yes
4	Kishanchand Wadhwa	NED (I)	Yes	Yes	Yes
5	Anil Khanna	NED (I) (C)	Yes	No	Yes
6	Raman Parnami	NED	Yes	No	Yes
7	*Ranjeet Sharma	NED (I)	No	No	No
8	*Naresh Patade	WTD	No	No	No
<p><b>* Note 1: NED: Non Executive Director; NED (I): Non Executive Director &amp; Independent; NED (C): Chairman &amp; Non Executive Director, MD (P): Managing Director – Promoter, WTD: Whole Time Director.</b>  <b>Mr. Ranjeet Sharma and Mr. Naresh Patade are appointed on the Board w.e.f. 1<sup>st</sup> February, 2014.</b></p>					

### III. Committee of Directors under Corporate Governance Code

#### a) Audit Committee of Directors (Audit Committee)

##### Composition:

The Audit Committee presently comprises of 2(Two) Independent Directors and 1(One) Executive director. The Chairman is an Independent Director. The Committee generally discharge such duties as may be require under the Clause 49 of the Listing Agreement with Stock Exchange and other functions as may be specifically delegated to the committee of the Board of Directors. The Committee's composition can be illustrated as follows:

NAME OF MEMBER	STATUS
Kishanchand Wadhwa	Chairman
Anil Khanna	Member
Tribhawan Kumar Parnami	Member

The powers and terms of reference of the Audit Committee are as mentioned in Clause 49 II (C), (D) & (E) of the Listing Agreement and section 292A of the Companies Act, 1956 which inter alia, include overseeing financial reporting processes, reviewing with the management the financial statements, accounting policies and practices, adequacy of internal audit functions and discussion with internal auditors on any significant findings, financial and risk management policies.

**b) Investor Grievance Committee**

The Company has a Shareholders Investors Grievance Committee, which is headed independently by Mr. Ranjeet Sharma, a qualified Company Secretary and Independent director of the Company. Mr. Ranjeet Sharma attend and address to grievance or complaints received from shareholders/ investors as and when it is received.

The Investor Grievance Committee has been constituted to attend to requests of dematerialization of shares, rematerialisation of shares, share transfer and to redress investor's grievance/complaints such as non-receipt of Balance Sheet, non-receipt of Dividend and entertains such other related matters.. The composition of the Committee is as follows:

Name of Member	Status
Ranjeet Sharma	Chairman
Brajesh Kataria	Member
Anil Khanna	Member

Mr. Ramkrishna Shukla, Company Secretary of the Company assists and manages the Grievance Committee along with the other members of the Committee. The Company Secretary helps the members of the Committee to arrive at workable solution to the complaints or queries of the shareholders/investors.

**No Investor Compliant is pending against the Company as on March 31, 2014.**

**c) Remuneration Policy**

The Board of Directors has not appointed a separate remuneration committee, it being a non-mandatory requirement. At present the Board of Directors determine the remuneration of the Executive Director. Presently the remuneration paid to the Executive Directors are as follows:

**Mr. T.K. Parnami (Managing Director):**

Salary and other benefits : 5,40,000/-

Contribution to Provident & Other Funds : NIL/-

**IV. Code of Conduct**

The Company has laid down a Code of Conduct for all the Board Members and Senior Management Personnel. All Board Members and Senior Management Personnel have confirmed compliance with the said code of conduct for the financial year ended March 31, 2014. The declaration to this effect signed by the Managing Director forms part of the Annual Report for the FY 2013-14.

**V. CEO/CFO Certification**

As required by Clause 49 (V) of the Listing Agreement, Managing Director's certification of the Financial Statements, the Cash Flow Statement and the Internal Control Systems for financial reporting has been annexed to the Annual Report filed for the FY 2013-2014

**a) Secretarial Audit**

A qualified practicing Company Secretary carried out the Secretarial Audit on quarterly basis to reconcile the share capital with National Securities Depository Services Ltd. ("NSDL") and Central Depository Services Ltd. ("CDSL") and the total issued and listed capital. The audit confirms that the total issued /paid-up capital is in agreement with total number of shares in physical forms and total number of demat shares held with NSDL and CDSL

**b) Brief resume of Director being appointed / re-appointed**

A brief resume, nature of expertise in specific functional areas, names of companies in which the person already holds directorship and membership of committees of the Board and his shareholdings in the Company forms part of the Notice of the Annual General Meeting, has been annexed to the Annual Report filed for the FY 2012-2013.



**c) Compliance with mandatory and non-mandatory requirements**

The Company has complied with all the mandatory requirements along with some non-mandatory requirements also.

**1. Compliance Certificate of the Auditors**

Certificate from the Auditors of the Company, M/s. Vinod Arora & Co., and confirming compliance with the conditions of Corporate Governance as stipulated under Clause 49 has been obtained by the Company which forms part of the Annual Report.

This Certificate has also been forwarded to the Stock Exchanges where the securities of the Company are listed.

**2. Means of communication**

The information about the financial performance of the Company is disseminated on a regular basis through newspapers and website of the Company [www.parnamicredits.co.in](http://www.parnamicredits.co.in) besides communicating the same to the Stock Exchanges.

Further, financial results, corporate notices etc. of the Company are published in the newspapers like, Financial Express and Jansatta (Hindi).

Designated exclusive e-mail ID: The Company has designated the following e-mail ID exclusively for investor servicing: [parnamilimited@gmail.com](mailto:parnamilimited@gmail.com)

**Shareholders information:****Annual General Meeting**

Year	Location	Date	Day	Time
2013	The Queen Pearl, Opp. Distt. Court, Rajiv Chowk, Gurgaon	18.09.2013	Wednesday	9.00A.M
2012	The League Hotel, Old Delhi Road, Gurgaon	26.09.2012	Wednesday	9.00A.M
2011	The League Hotel, Old Delhi Road, Gurgaon	22.09.2011	Thursday	9.00 A.M
2010	Registered Office, SCO 50-51, 2 <sup>nd</sup> Floor, Old Judicial Complex, Gurgaon	16.09.2010	Thursday	9.00 A.M

**Financial calendar (tentative)**

Period		Board Meetings
Results for Quarter Ended June 30, 2014	:	Announced in July, 2014.
Results for Quarter Ended September 30, 2014	:	Announced in October, 2014.
Results for Quarter Ended December 31, 2014	:	Announced in January, 2015.
Results for Quarter Ended March 31, 2015	:	Will be announced on May, 2015.

**LISTING**

- a. Delhi Stock Exchange Limited, Delhi [Designated Regional Stock Exchange]
- b. Jaipur Stock Exchange Limited [Designated Regional Stock Exchange]

## 3. Distribution Schedule as at March 31, 2014 is provided herewith:

<b>DISTRIBUTION SCHEDULE AS ON 31/03/2014</b>					
<b>NOMINAL VALUE OF EACH SHARE - RS. 10/-</b>					
<b>NO OF SH HOLDERS</b>	<b>% TO TOTAL</b>	<b>SHARE HOLDING OF NOMINAL VALUE OF RS</b>	<b>NO OF SHARE</b>	<b>AMOUNT IN RS</b>	<b>% TO TOTAL</b>
183	29.756	1 TO 5000	68800	688000	2.052
215	34.959	5001 TO 10000	179900	1799000	5.366
85	13.821	10001 TO 20000	137500	1375000	4.101
39	6.341	20001 TO 30000	96500	965000	2.878
28	4.553	30001 TO 40000	101000	1010000	3.012
18	2.927	40001 TO 50000	80000	800000	2.386
16	2.602	50001 TO 100000	127100	1271000	3.791
31	5.041	100001 and above	2562000	25620000	76.414
<b>615</b>	<b>100</b>	<b>TOTAL</b>	<b>3352800</b>	<b>33528000</b>	<b>100</b>

**Chief Executive Officer (CEO) and Chief Financial Officer (CFO) Certification as per Clause 49(V) of the Listing Agreement**

The Board of Directors  
Parnami Credits Limited

We, T. K. Parnami, Managing Director and Naresh Patade, Whole Time Director, hereby certify that in respect of the Financial Year ended March 31, 2014: -

1. We have reviewed the financial statements and the cash flow statements for the Financial Year ended March 31, 2014 and to the best of our knowledge, information and belief:-
  - a) The statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - b) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and 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 maintaining internal controls for financial reporting and we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal control, if any, of which we are aware and the steps taken or proposed to be taken to rectify the same;
4. We have indicated to the Auditors and the Audit Committee: -
  - a) Significant changes, if any, in internal controls over financial reporting during the year;
  - b) Significant changes, if any, in accounting policies during the year and the same have been disclosed suitably in the notes to the financial statements; and
  - c) Instances of significant fraud, if any, wherein there has been involvement of management or an employee having a significant role in the Company's internal control system over financial reporting.

Sd/-  
**T. K. Parnami**  
**Managing Director**  
**DIN: 01186423**

Sd/-  
**Naresh V. Patade**  
**Whole Time Director**  
**DIN: 06706482**

Date: September 4, 2014  
Place: Gurgaon

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**DECLARATION BY THE CEO UNDER CLAUSE 49 I (D) OF THE LISTING AGREEMENT REGARDING ADHERENCE TO THE CODE OF CONDUCT**

In accordance with Clause 49 sub- clause I (D) of the Listing Agreement with the Stock Exchange, I hereby confirm that, all the All the Directors and the Senior Management personnel of the Company have affirmed their compliance with the Codes of Conduct as applicable to them for Financial Year ended March 31, 2014

**Sd/-**  
**T. K. Parnami**  
**Managing Director**  
**DIN: 01186423**

**Date: September 4, 2014**  
**Place: Gurgaon**

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**AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE**

To  
The member  
Parnami Credits Limited  
Gurgaon.

We have examined the compliance of conditions of corporate governance by Parnami Credits Limited ("The Company") for the year ended 31st March 2014 as stipulated in clause 49 of listing agreement of the said company with the Delhi stock exchange and The Jaipur stock exchange.

The compliance of the conditions of the corporate governance is the responsibility of the management.

Our examination was limited to procedures and implementation thereof adopted by the company ensuring the compliance of the corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the company. In our opinion and to the best of our information and according to the explanation given to us we certify that the company has complied with the condition of corporate governance as stipulated in the above listing agreement.

We state that no investor grievance is pending for a period exceeding one month against the company as per records maintained by the company.

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

**For Vinod Arora & Co.**  
**Chartered Accountants**  
**Sd/-**  
**Vinod Arora**  
**Membership No.: 081101**  
**Proprietor**  
**Gurgaon**

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **Forward – Looking Statements:**

This Report contains Forward – Looking Statements. Any, statement that address expectations or projections about the future, including but not limited to statements about the Company's strategy and growth, product development, market position, expenditures and financial results, are forward looking statements. Forward looking statements are based on certain assumptions and expectations of future growth. The Company cannot guarantee that these assumptions are accurate and will be realized. The Company's actual results, performance or achievements could thus differ materially from those projected in any such forward-looking statements. The Company assumes no responsibility to publicly amend, modify or revise any forward-looking statements, on basis of any subsequent developments, information or events.

### **Overview:**

During the financial year under review the revenue from operations has increased from Rs. 56.92 Lacs to Rs. 67.30/- and other income has increased to Rs. 6.98 Lacs as compared to NIL in the previous year.

### **Outlook:**

The Company is mainly engaged in the business of financing and investment in bodies corporate in order to yield a greater revenue for its stakeholders. The Company is planning to expand and diversify the operational activities in the coming years ahead in order to tap higher revenues.

### **Risk and Concerns:**

Due to stiff competitions in the finance field where the company's activities are centered in, the overall margins are always under pressure, but maintainable with the constant effort and good services rendered by the company.

### **Internal Control Systems and their Adequacy:**

An Audit Committee of the Board of Directors of the Company has been constituted as per provisions of Section 292A of the Companies Act, 1956 and corporate governance requirements specified by Listing Agreements with the Stock Exchanges.

The Internal Audit Function is looked after internally by the finance and accounts department, and reviewed by the audit committee and the management at the regular intervals.

The Internal Auditors Reports dealing with Internal Control Systems are considered by the Audit Committee and appropriate actions are taken, whichever necessary.

### **Analysis of Financial Conditions and Results of Operations:**

The Financial Statements have been prepared in accordance with the requirements of the Act, Indian Generally Accepted

Principles (Indian GAAP) and the Accounting Standards as prescribed by the Institute of Chartered Accountants of India.

The Management believes that it has been objective and prudent in making estimates and judgments relating to the Financial Statements and confirms that these Financial Statements are a true and fair representation of the Company's Operations for the period under review.

**Development on Human Resource Front:**

At Parnami Credits Limited our human resource are critical to our success and carrying forward our mission.. With their sustained, determined and able work efforts we were able to cruise smoothly through the hard time of the economic volatility and rapidly changing market conditions.

The requirement of the markets given the economic scenario has made this even more challenging. Attracting newer talent with the drive, training and upgrading existing skill sets and getting all to move in an unified direction will definitely be task in the company.

Plans to execute the mandate on this count are already underway and we should see it impacting the results from the third quarter of the next financial year.

By creating conducive environment for career growth, company is trying to achieve the maximum utilization of employee's skills in the most possible way.

There is need and the company is focused on retaining and bringing in talent keeping in mind the ambitious plans despite the market and industry scenario.

The company also believes in recognizing and rewarding employees to boost their morale and enable to achieve their maximum potential. The need to have a change in the management style of the company is one of the key focus areas this year.

**Industrial Relations:**

Industrial Relations throughout the year continued to remain very cordial and satisfactory.

**For and on behalf of the Board of Directors  
For Parnami Credits Limited**

**T . K. Parnami  
Managing Director  
DIN: 01186423**

**Place: Gurgaon  
Date: September 4, 2014**

# VINOD ARORA & CO.

CHARTERED ACCOUNTANTS

## AUDITORS' REPORT

TO THE SHAREHOLDERS OF  
PARNAMI CREDITS LIMITED  
GURGAON

1. We have audited the accompanying financial statements of PARNAMI CREDITS LIMITED (the Company), which comprise the Balance Sheet as at 31st March, 2014, the statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.
2. The company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flow of the Company in accordance with the Accounting Standards, notified under the Companies Act, 1956 (the Act) read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013 and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that gives a true and fair view and are free from material misstatement, whether due to fraud or error.
3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Standards on Auditing issued by the Institute of Chartered Accountants of India. Those standards required that we comply with ethical requirements and plan and performance the audit to obtain reasonable assurance about whether the financial statements are free from the material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risk of the material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

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




413 212 Apna Bazar Gurgaon 122001 Ph 2330105 2303338 9910174105

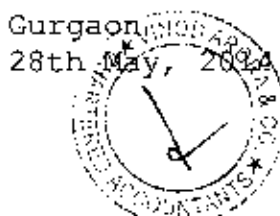
867 sector 14 Gurgaon 122 001 Ph 2322465 4087465

Dedicated to professional Development

4. 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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
- a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2014.
  - b) In the case of Statement of Profit and Loss, of the Profit of the Company for the year ended on that date; and
  - c) In the case of Cash Flow Statement, of the cash flows of the company for the year ended on that date.
5. As required by the Companies (Auditor's Report) Order, 2003 (the Order) issued by the Central Government of India in terms of Section 227 (4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
6. As required by the Section 227 (3) of the Act, we report that:
- a) We have obtained all the information and explanations which to the best of our knowledge belief were necessary for the purpose of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by Company so far as appears from our examination of those books.
  - c) The Balance Sheet, the statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the Balance Sheet, statement of Profit and Loss, and cash flow statement comply with Accounting Standards notified under the Act read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013
  - e) On the basis of the written representations received from the directors as on 31st March, 2014 taken on record by the Board of Directors, none of the directors is disqualified from being appointed as a director in terms of Section 274(1)(g) of the Act.

For Vinod Arora & Co.  
Chartered Accountants  
FRN No. 013120N

  
Vinod Arora  
Proprietor  
M. No. 081101





**PARNAMI CREDITS LIMITED**  
**GURGAON**  
**ANNEXURE TO AUDITORS' REPORT**


Referred to in paragraph 3 of our report of even date.

- i. (a) The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.  
(b) As explained to us the fixed Assets have been physically verified by the management at year end and no material discrepancy was noticed on such verification.  
(c) No substantial part of fixed assets has been sold during the year.
- ii. (a) As explained to us, physical verification of inventory has been conducted at reasonable intervals by the management.  
(b) In our opinion, the procedure of physical verification of inventory followed by the management is reasonable and adequate in relation to the size of the company and nature of its business.  
(c) The company is maintaining proper records of inventory and no material discrepancy was noticed on physical verification.
- iii. (a) The company has neither granted nor taken any loans, secured or unsecured to/ from companies, firms or other parties covered in the register maintained under section 301 of the Act.  
(b) In our opinion and according to the information & explanation given to us, the rate of interest and other terms and conditions on loans given or taken by the company, secured or unsecured are not prime facie prejudicial to the interest of the company.  
(c) Payment of the principal amount and interest is also regular.  
(d) There are no overdue amounts.
- iv. In our opinion and according to the information and explanation given to us, there is an adequate internal control procedure commensurate with the size of the company, and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods.
- v. There are no transactions that need to be entered into the register in pursuance of section 301 of the Act.
- vi. The company has not accepted any deposits from public.
- vii. In our opinion, the company has an internal audit system commensurate with its size & nature of its business.
- viii. The maintenance of cost records has not been prescribed by the Central Government under clause (d), of sub-section (1) of section 209 of the Act for the company.



- ix. The company is regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Sales Tax, Wealth-Tax, Customs Duty, Excise Duty, Cess and any other statutory dues with the appropriate authorities, there are no out-standing statutory dues as at the last day of the financial year concerned for a period of more than six months from the date they became payable.
- x. There are no accumulated losses of the company at the end of the financial year, it has not incurred cash losses in the financial year and in the financial year immediately preceding such financial year.
- xi. The company has not defaulted in re-payment of dues to a financial institution or bank. There are no debentures.
- xii. In our opinion and according to the explanation given to us and based on the information available, the company has not granted any loans and advances on the basis of securities by way of pledge of shares, debentures and other securities.
- xiii. In our opinion the company is not a chit fund or a nidhi/mutual benefit fund/ society. Therefore, the provisions of clause 4((xiii) of the companies (Auditor's Report) Order 2003, are not applicable to the company.
- xiv. As per the information and explanations given to us the company is not dealing or trading in shares, securities, debentures and other investments.
- xv. The company has not given any guarantee for loans taken by other from bank or financial institutions.
- xvi. The terms loans taken by the company were applied for the purpose for which the loans were obtained.
- xvii. According to the information and explanations given to us and examination conducted by us we are of the opinion that the funds raised on short term basis have not been used for long term investments.
- xviii. The company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
- xix. The company has not issued any debenture.
- xx. The company has not raised any money by way of public issue during the year.
- xxi. In our opinion and according to the information & explanations given to us, no fraud on or by the company has been noticed or reported during the year.

For Vinod Arora & Co.  
Chartered Accountants  
FRN No. 013120N

  
Vinod Arora  
Proprietor  
M. No. 081101

Gurgaon  
28th May, 2014



# VINOD ARORA & CO.

CHARTERED ACCOUNTANTS

## AUDITORS' REPORT ON CORPORATE GOVERNANCE

To  
The members  
Parnami Credits Limited  
Gurgaon

We have examined the compliance of conditions of corporate governance by Parnami Credits Limited ("The Company") for the year ended 31st March, 2014 as stipulated in clause 49 of listing agreement of the said Company with the Delhi stock exchange and the Jaipur stock exchange.

The compliance of the conditions of the corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof adopted by the company ensuring the compliance of the corporate governance. It is neither an audit nor an expression of opinion and to the best of our information and according to the explanation given to us we certify that the company has complied with the condition of corporate governance as stipulated in the above listing agreement.

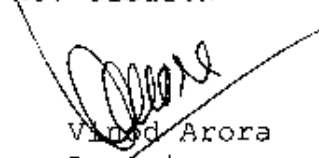
We state that no investor grievance is pending for a period exceeding one month against the company as per records maintained by the company.

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

For Vinod Arora & Co.  
Chartered Accountants  
FRN No. 013120N

Gurgaon  
28th May, 2014



  
Vinod Arora  
Proprietor  
M. No. 081101

# VINOD ARORA & CO.

CHARTERED ACCOUNTANTS

## PARNAMI CREDITS LIMITED

### GURGAON

### AUDITORS' REPORT


In terms of Para 15 of Non Banking Financial (Non- Deposit Accepting or Holding) companies Prudential Norms (RB) Directions 2007.

(Financial Year 2013-14)

This is report that:

1. The company has obtained the certificate of registration from Reserve Bank of India.
2. The company is entitled to continue to hold certificate of registration in terms of its assets/ income pattern as 31st March, 2014.
3. The company has been correctly classified as AFC as defined in Non- Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998 with reference to business carried on by it during the year.
4. The Board of Directors has passed a resolution for non-acceptance of any public deposits & has not accepted public deposits during the year.
5. The company has complied with the prudential norms relating to income recognition, accounting standards, assets classification and provisioning for bad and doubtful debts as applicable to it in terms of Non - Banking Financial (Non - Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007.

For Vinod Arora & Co.  
Chartered Accountants  
FRN No. 013120N

  
Vinod Arora  
Proprietor  
M. No. 081101

Gurgaon  
28th May, 2014



**PARNAMI CREDITS LIMITED**  
**GURGAON**  
**BALANCE SHEET AS AT 31ST MARCH, 2014**

<u>PARTICULARS</u>	<u>NOTES</u>	<u>31.03.14 (Rs.)</u>	<u>31.03.13 (Rs.)</u>
<b><u>EQUITY AND LIABILITIES</u></b>			
Shareholders' Funds			
Share Capital	1	33,528,000.00	37,842,040.00
Reserve & Surplus	2	11,267,145.07	4,951,570.28
<b><u>Current Liabilities</u></b>			
Short Term Borrowings	3	-	7,114,930.00
Other Current Liabilities	4	718,446.00	969,095.00
Short-Term Provisions	5	3,196,500.00	3,305,980.00
TOTAL		<u>48,710,091.07</u>	<u>54,183,615.28</u>
<b><u>ASSETS</u></b>			
<b><u>NON CURRENT ASSETS</u></b>			
Fixed Assets			
Tangible Assets	6	160,942.00	267,841.00
<b><u>CURRENT ASSETS</u></b>			
Inventories	7	35,281.00	2,058,931.00
Cash and Cash Equivalent	8	1,017,365.07	2,027,699.28
Short Term Loans & Advances	9	47,496,503.00	49,829,144.00
Other Current Assets	10	-	-
Significant Accounting Policies & Notes on financial statement	16		
Total		<u>48,710,091.07</u>	<u>54,183,615.28</u>

Schedule '1' to '16' are integral part of financial statements

In terms of our report attached

For Vinod Arora & Co.  
Chartered Accountants  
FRN No.013120N

Vinod Arora  
Proprietor  
M.No.081101

Gurgaon  
28th May, 2014



*Tribhawan*  
TRIBHAWAN K PARNAMI  
Managing Director

*Anil*  
ANIL K PARNAMI  
Director

*Brajesh*  
BRAJESH K KATARIA  
Director

**PARNAMI CREDITS LIMITED**

**GURGAON**

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

<b><u>INCOME</u></b>		<b><u>31.03.14 (Rs.)</u></b>	<b><u>31.03.13 (Rs.)</u></b>
Revenue from Operations - Interest	11	6,032,675.00	5,691,955.00
Income From Dealing in Shares		698,154.37	-
Other Income	12	1,194,961.00	38,749.00
	Total (A)	<u>7,925,790.37</u>	<u>5,730,704.00</u>
<b><u>EXPENDITURE</u></b>			
Employee Benefit Expenses	13	2,071,632.00	1,875,955.00
Finance Cost	14	891,378.88	1,054,012.05
Other Expenses	15	2,254,345.70	2,155,146.70
	Total	<u>5,217,356.58</u>	<u>5,085,113.75</u>
Earnings before tax, depreciation and amortisation		2,708,433.79	645,590.25
Depreciation and amortisation expenses		106,899.00	136,106.00
Profit before extra ordinary & exceptional items (A) - (B)		2,601,534.79	509,484.25
Extra Ordinary & exceptional Items		-	-
Profit before tax		2,601,534.79	509,484.25
Tax Expense - Provision for tax		600,000.00	262,000.00
Profit After tax		2,001,534.79	247,484.25
Earning/Loss Per Share		0.40	0.05

Notes:

Earning in foreign Exchange

Break-up of Auditors' Remuneration:

i) As Auditors	24,000.00	18,000.00
ii) In Respect of Taxation Matters	24,000.00	24,000.00
iii) Towards Service Tax	5,933.00	-

The accompanying notes are an integral part of financial statements.

In terms of our report attached

For Vinod Arora & Co.  
Chartered Accountants

FRN No.013100N

Vinod Arora  
Proprietor

M.No.081101

Gurgaon  
28th May, 2014



*Tribhawan K Parnami*  
TRIBHAWAN K PARNAMI  
Managing Director

*Anil K Parnami*  
ANIL K PARNAMI  
Director

*Brajesh K Kataria*  
BRAJESH K KATARIA  
Director

**PARNAMI CREDITS LIMITED**

**GURGAON**

NOTES ON ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2014

**1 SHARE CAPITAL**

Particulars	As at 31st March, 2014	As at 31st March, 2013
<b>Authorised</b>		
55,00,000 (Previous year 55,00,000 Equity Shares of Rs. 10/- each	55,000,000.00	55,000,000.00
Total	<u>55,000,000.00</u>	<u>55,000,000.00</u>
<b>Issued, Subscribed &amp; Paid-Up Shares</b>		
33,52,800 (Previous Year 50,09,400) equity Shares of Rs. 10/- each fully paid	50,094,000.00	50,094,000.00
Less: Shares forfeited during the year	16,566,000.00	-
Total	<u>33,528,000.00</u>	<u>50,094,000.00</u>
Less: Calls unpaid	-	12,251,960.00
Total	<u>33,528,000.00</u>	<u>37,842,040.00</u>

1.1 Rights, preferences and restrictions attached to shares:

Equity Shares: The company has issued one class of equity shares having par value of Rs. 10 Per Share Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution the equity of all preferential amounts, in proportion to their shareholding.

1.2 Reconciliation of Number of Equity Shares:

Particulars	31st March, 2014		31st March, 2013	
	No. of Shares	Amount (Rs.)	No. of Shares	Amount (Rs.)
Shares Outstanding at the beginning of the year	5,009,400	50,094,000.00	5,009,400	50,094,000.00
Shares Forfitted during the year	1,656,600	16,566,000.00	-	-
Shares Outstanding at the end of the year	3,352,800	33,528,000.00	5,009,400	50,094,000.00

1.3 List of Equity Shareholders more than 5% of the aggregate Equity Shares:

Name of Shareholder	31st March, 2014		31st March, 2013	
	Nos.	%age	Nos.	%age
Mr. T K Parnami	375,400	7.49	375,400	7.49

**2 RESERVE AND SURPLUS**

<b>General Reserve</b>				
Balance as per last year		3,500,000.00		3,500,000.00
<b>Capital Reserve</b>				
Amount Forfitted		4,314,040.00		-
<b>NBFC RESERVE FUND</b>				
Balance as per last financial statements	893,000.00		883,000.00	
Amount transferred during the year	-	893,000.00	10,000.00	893,000.00
<b>Surplus in the statement of profit and loss</b>				
Balance as per last financial statement	558,570.28		321,086.03	
Add: Profit for the year	2,001,534.79		247,484.25	
	<u>2,560,105.07</u>		<u>568,570.28</u>	
Less: Appropriations:				
Transfer to NBFC Reserve Fund	-	2,560,105.07	10,000.00	558,570.28
		<u>11,267,145.07</u>		<u>4,951,570.28</u>



**PARNAMI CREDITS LIMITED**  
**GURGAON**

Rs.

**SCHEDULE '6' FIXED ASSETS**

<u>Particulars</u>	<u>GROSS BLOCK</u>			<u>WRITTEN DOWN VALUE AS AT</u>	
	<u>Balance as at</u> <u>01.04.2013</u>	<u>Addition</u> <u>during</u> <u>the year</u>	<u>Total</u>	<u>31.03.2014</u>	<u>31.03.2013</u>
Car	1,014,532.00	-	1,014,532.00	43,073.00	139,454.00
Scooter	61,932.00	-	61,932.00	3,097.00	3,097.00
Furniture & Fixture	461,401.00	-	461,401.00	14,979.00	14,979.00
Office Equipment	221,434.00	-	221,434.00	90,674.00	91,192.00
Computer	374,097.00	-	374,097.00	18,805.00	18,805.00
Mobile Phone	6,280.00	-	6,280.00	314.00	314.00
<b>Total</b>	<b>2,139,676.00</b>	<b>-</b>	<b>2,139,676.00</b>	<b>160,942.00</b>	<b>267,841.00</b>
Previous year	2,139,676.00	-	2,139,676.00	267,841.00	

<u>Particulars</u>	<u>DEPRECIATION</u>			<u>WRITTEN DOWN VALUE AS AT</u>	
	<u>Up to</u> <u>31.03.2013</u>	<u>For the year</u>	<u>Total</u>	<u>31.03.2014</u>	<u>31.03.2013</u>
Car	875,078.00	96,381.00	971,459.00	43,073.00	139,454.00
Scooter	58,835.00	-	58,835.00	3,097.00	3,097.00
Furniture & Fixture	446,422.00	-	446,422.00	14,979.00	14,979.00
Office Equipment	130,242.00	10,518.00	140,760.00	90,674.00	91,192.00
Computer	355,292.00	-	355,292.00	18,805.00	18,805.00
Mobile Phone	5,966.00	-	5,966.00	314.00	314.00
<b>Total</b>	<b>1,871,835.00</b>	<b>106,899.00</b>	<b>1,978,734.00</b>	<b>160,942.00</b>	<b>267,841.00</b>
Previous year	1,735,729.00	136,106.00	1,871,835.00	267,841.00	





**3 SHORT TERM BORROWINGS**

Unsecured - Payable on demand		
Loans and advances from related parties		
- Deposits from Directors	-	7,114,930.00
Total		<u>7,114,930.00</u>

**4 OTHER CURRENT LIABILITIES**

Income Tax deducted at Source	157,616.00	125,704.00
Cheques issued but not presented for payment	72,370.00	185,048.00
Expenses Payable	489,460.00	659,343.00
Total	<u>719,446.00</u>	<u>969,095.00</u>

**5 SHORT TERM PROVISIONS**

Doubtful/Substandard Assets	440,500.00	1,149,980.00
Income Tax	2,756,000.00	2,156,000.00
Total	<u>3,196,500.00</u>	<u>3,305,980.00</u>

**7 INVENTORIES**

Transferred Shares	35,281.00	2,058,931.00
Total	<u>35,281.00</u>	<u>2,058,931.00</u>

**8.1 Inventory Valuation method**

Stock in Trade are valued at cost or at market price whichever is lower.

**8 CASH AND CASH EQUIVALENT**

Cash in hand	273,075.82	981,941.82
Balance in Bank in Current Account with:		
HDFC Bank	24,313.90	2,776.28
Jammu & Kashmir Bank	716,483.85	1,036,827.68
Bank of Baroda	3,491.50	6,153.50
Total	<u>1,017,365.07</u>	<u>2,027,699.28</u>

**9 SHORT TERM LOANS AND ADVANCES**

Security Deposit	6,000.00	6,000.00
Advance against listing	561,800.00	0.00
Advance Tax/IDS	3,227,793.00	2,999,262.00
Cheque deposited but not cleared	2,393,823.00	1,458,500.00
Other Loans & Advances	41,307,087.00	45,365,382.00
Total	<u>47,496,503.00</u>	<u>49,829,144.00</u>

9.1 Other Loans & Advances are unsecured but are considered good

9.2 The company has sent letters to parties to whom loans have been advanced for confirmation of balance, response of those parties are awaited, the management of the company considers all the advances as good.

**10 OTHER CURRENT ASSETS**

-

-

**11 REVENUE FROM OPERATIONS**

Interest on Advances	-	5,691,806.00
Interest from Bank	-	149.00
Interest From Others	6,032,675.00	-
Total	<u>6,032,675.00</u>	<u>5,691,955.00</u>



**12 OTHER INCOME**

Dividend	42,356.00	38,749.00
Provision for Doubtful Assets Written Back	1,149,980.00	-
Stock valuation difference	2,625.00	-
Total	<u>1,194,961.00</u>	<u>38,749.00</u>

**13 EMPLOYEE BENEFIT EXPENSES**

Salary & Bonus	2,023,120.00	1,842,920.00
Staff Welfare	48,512.00	33,035.00
Total	<u>2,071,632.00</u>	<u>1,875,955.00</u>

**14 FINANCE COST**

Interest to Bank	14,838.00	32,026.00
Interest to Others	868,000.00	1,020,000.00
Bank Commission	8,540.88	1,986.05
Total	<u>891,378.88</u>	<u>1,054,012.05</u>

**15 OTHER EXPENSES**

Rent	480,000.00	480,000.00
Printing & Stationery	42,145.00	41,423.00
Postage & Telephone	113,505.00	61,864.00
Directors' Remuneration	540,000.00	540,000.00
Travelling & Conveyance	-	32,330.00
Legal & Professional Charges	66,015.00	70,917.70
Repair & Maintenance:		
- Car	26,940.00	34,310.00
- Others	<u>73,241.00</u>	<u>19,806.00</u>
Prior period Expenses	56,180.00	-
Entertainment/ Business Promotion	26,735.00	30,795.00
Electricity Expenses	60,000.00	60,000.00
Subscription/ Membership Fees	56,742.00	43,899.00
Stock Valuation Difference	-	392,597.00
Auditors' Remuneration	53,933.00	42,000.00
Annual General Meeting Expenses	10,954.00	6,546.00
Loss on investment in shares	176,932.00	-
Provision for Doubtful/ Substandard Assets	440,500.00	283,628.00
Miscellaneous Expenses	30,523.70	15,031.00
Total	<u>2,254,345.70</u>	<u>2,155,146.70</u>

**16 SIGNIFICANT ACCOUNTING POLICIES****(a) Basis of Preparation of financial statements:**

- i) The Financial Statements have been prepared in compliance with the accounting standards referred to in Section 211(3C) and the other relevant provisions of the Companies Act, 1956 to the extent applicable, the company follows the accrual system of accounting in general and the historical cost convention in accordance with the Generally Accepted Accounting Principles (GAAP) and are in accordance with applicable accounting standard issued by the Institute of Chartered Accountants of India and are adopted on a going concern basis as mandated by ICAI.
- ii) The preparation of accounting statements in conformity with GAAP requires the management to make assumption and estimates that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities as at the date of the financial statement and the



amounts of income and expenses during the period reported under the financial statements. Any revision to the accounting estimates are recognized prospectively when revised.

iii) All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule VI to the Companies Act, 1956.

**b) Fixed assets, intangible assets and capital work-in-progress:**

- i) Fixed assets are stated at cost or valuation less accumulated depreciation.
- ii) In accordance with and at the rates specified in Schedule XIV to the Companies Acts, 1956 depreciation is provided by straight line method.

**c) Inventories:**

Stock in trade is valued at lower of cost or market value

**d) Revenue Recognition:**

- i) Interest revenue is recognised on time proportion basis taking into account the time of principal outstanding and applicable rate.

**e) Employee Benefits:**

- i) Leave encashment is paid to employees during the year itself.

**f) Taxes on Income:**

Current tax is determined as the amount of tax payable in respect of taxable income for the period.

**g) Contingent Liabilities:**

Contingent liabilities are disclosed after a careful evaluation of the facts and legal aspects of the matter involved.

**h) Provision for Contractual Obligations:**

There are no contractual obligations outstanding as on date of the balance sheet hence no provision is required to be made.

**i) Cash Flow Statement**

The cash flows from regular revenue generating, investing and financing activities of the company are segregated. The cash flow statement is separately attached with the financial statements of the company.

**j) Related Party Disclosure**

**A. Related Parties**

- (1) Key Management Personnel (KMP)
- (2) Associate Companies/ Persons



Mr. T K Parnami, Managing Director  
T K Parnami  
Anil K Parnami  
Raman K Parnami  
Kusum Kataria  
Signature Finance Pvt Ltd  
Suman Villas Pvt Ltd



V S Developers Pvt Ltd  
 GLP Habitation Pvt Ltd  
 M R Agrotech Pvt Ltd  
 GL Parnami Marketing Co.  
 D D Associates

(3) Detail of transaction with related parties:

	Rs.	Rs.
	31.03.2014	31.03.2013
<u>Tribhawan K Parnami</u>		
Director's Remuneration	540,000/-	540,000/-
Interest Paid	683,300/-	1,020,000/-
Amount received during the year	31,00,000/-	7,000,000/-
Amount refunded during the year	1,08,29,630/-	5,300,000/-
<u>Anil K Parnami</u>		
Interest Paid	185,000/-	-
Amount received during the year	4,650,000/-	200,000/-
Amount refunded during the year	4,916,500/-	7,09,000/-
<u>Kusum Kataria</u>		
Salary & Bonus	2,13,840/-	178,200/-

k) **General**

Financial statement for the year have been prepared in accordance with revised schedule VI of the Companies Act, 1956.

Figures for Previous year have been re-grouped/re-arranged to make them comparable with figures for current year.

In terms of our report attached

For Vinod Arora & Co.  
 Chartered Accountants  
 FRN No.0131200

Vinod Arora  
 Proprietor  
 M.No.081101

Gurgaon  
 28th May, 2014



*Tribhawan K Parnami*  
 TRIBHAWAN K PARNAMI  
 Managing Director

*Anil K Parnami*  
 ANIL K PARNAMI  
 Director

*Brajesh K Kataria*  
 BRAJESH K KATARIA  
 Director

**PARNAMI CREDITS LIMITED**  
**GURGAON**

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

**Rs.**

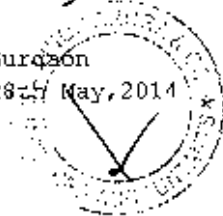
	<u>31.03.2014</u>	<u>31.03.2013</u>
<b><u>A. CASH FLOW FROM OPERATING ACTIVITIES:</u></b>		
Profit/ Loss before Tax & Extraordinary Items	1,448,929.79	509,484.25
Depreciation	106,899.00	136,106.00
Loss on Sale of Assets	-	-
Interest /Dividend	(42,356.00)	(38,749.00)
Operating Profit/ Loss before working	<u>1,513,472.79</u>	<u>606,841.25</u>
Capital Changes		
Adjustment for Trade & Other Receivables	2,332,641.00	(2,588,605.00)
Inventories	2,023,650.00	392,597.00
Trade & other Payable	(360,129.00)	1,077,958.00
Income Tax	(600,000.00)	(262,000.00)
Cash Generated from Operating Activities	<u>4,909,634.79</u>	<u>(773,208.75)</u>
<b><u>B. CASH FLOW FROM INVESTING ACTIVITIES</u></b>		
Acquisition of Fixed Assets	-	-
Sale of Fixed Assets	-	-
Investment	1,152,605.00	-
Dividend Received	42,356.00	38,749.00
Net Cash Used in Investing Activities	<u>1,194,961.00</u>	<u>38,749.00</u>
<b><u>C. CASH FLOW FROM FINANCIAL ACTIVITIES</u></b>		
Secured Loan	-	-
Unsecured Loan	(7,114,930.00)	2,109,000.00
Cash Flow from Financial Activities	<u>(7,114,930.00)</u>	<u>2,109,000.00</u>
Net Increase in Cash/ Cash Equivalent (A+B+C)	(1,010,354.21)	1,374,540.25
Bank & Cash Equivalent (Beginning of the Year)	2,027,699.28	653,159.03
Bank & Cash Equivalent (Close of the year)	1,017,365.07	2,027,699.28

For & On Behalf of the Board of Directors

For Vinod Arora & Co.  
Chartered Accountants  
FRN No.01312GN

Vinod Arora  
Proprietor  
M.No.081101

Gurgaon  
28<sup>th</sup> May, 2014



*Tribhawan K. Parnami*  
TRIBHAWAN K. PARNAMI  
Managing Director

*Anil K. Parnami*  
ANIL K PARNAMI  
Director

*Brajesh K. Kataria*  
BRAJESH K KATARIA  
Director

**PARNAMI CREDITS LIMITED**

**Registered Office:** Parnami Tower, 2<sup>nd</sup> Floor, SCO 50-51, Old Judicial Complex Civil Lines, Gurgaon, Haryana - 122001

**CIN:** L65910HR1993PLC032070, **Web:** [www.parnamicredits.co.in](http://www.parnamicredits.co.in), **email id:** [parnamilimited@gmail.com](mailto:parnamilimited@gmail.com)

**PROXY FORM**

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

CIN : L65910HR1993PLC032070  
 Name of the Company : PARNAMI CREDITS LIMITED  
 Registered Office : Parnami Tower, 2<sup>nd</sup> Floor, SCO 50-51, Old Judicial Complex Civil Lines, Gurgaon, Haryana - 122001  
 Name of the member(s) : .....  
 Registered Address : .....  
 Email ID : .....  
 Folio No./Client ID/DP ID : .....  
 I/We, being the member(s) of ..... shares of the above named Company, hereby appoint:

- 1) Name : ..... Address : .....  
 Email ID: ..... Signature : ..... or failing him
- 2) Name : ..... Address: .....  
 Email ID: ..... Signature: ..... or failing him
- 3) Name: ..... Address: .....  
 Email ID: ..... Signature : .....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 21<sup>st</sup> Annual General Meeting of the Company, to be held on Tuesday, the 30<sup>th</sup> day of September, 2014 at 10.00 A.M. at the registered office of the Company situated Queen Pearl, Opp. Distt. Court, Rajiv Chowk, Gurgaon – 122001 and at any adjournment thereof in respect of such resolutions as are indicated below:

<b><u>ORDINARY BUSINESS:</u></b>
Adoption of Financial statements and report of the Board of Directors and Auditors thereon, for financial year ended March 31, 2014.
Appointment of a director in place of Mr. Brajesh Kataria (DIN – 00668977) who retires by rotation and being eligible, offers himself for re-appointment.
Appointment of M/s. Subramaniam Bengali & Associates, Chartered Accountant, Mumbai , in place of the retiring Auditors M/s. Vinod Arora & Co., Chartered Accountant, who have expressed their inability to continue as the statutory auditor of the Company.
<b><u>SPECIAL BUSINESS:</u></b>
<b>Ordinary resolution</b> - Appointment of Mr. Naresh V. Patade (DIN-06706482) as Whole Time Director, for a period of 3 (three) years.
<b>Ordinary resolution</b> – Appointment of Mr. Ranjeet Sharma (DIN- 00033074)
<b>Ordinary resolution</b> – Appointment of Mr. Anil Khanna (DIN 02435647) as Non Executive Independent Director.
<b>Ordinary resolution</b> – Appointment of Mr. Kishan Chand Wadhwa (DIN: 01557374) as Non Executive Independent Director.

Signed this ..... day of ..... 2014.

Affix Re.1  
 Revenue  
 Stamp

.....  
 Signature of shareholder

.....  
 Signature of Proxy holder(s)

**Notes:**

1. This form, in order to be effective, should be duly stamped, completed, signed and deposited at the registered office of the Company, not less than 48 hours before the commencement of the meeting.
2. Notwithstanding the above the Proxies can vote on such other items which may be tabled at the meeting by the shareholders present.

**PARNAMI CREDITS LIMITED**

**Registered Office:** Parnami Tower, 2<sup>nd</sup> Floor, SCO 50-51, Old Judicial Complex Civil Lines,  
Gurgaon, Haryana - 122001

**CIN:** L65910HR1993PLC032070, Web: [www.parnamicredits.co.in](http://www.parnamicredits.co.in), email id: [parnamilimited@gmail.com](mailto:parnamilimited@gmail.com)

**ATTENDANCE SLIP**

FOLIO NO. (Shares in physical mode)	
DP ID	
CLIENT ID	
NO. OF SHARES HELD	

I certify that I am a registered shareholder / proxy for the registered shareholder of the Company. I hereby record my presence at the 21<sup>st</sup> Annual General meeting of the Company to be held on Tuesday, September 30, 2014 at 10.00 a.m. at Queen Pearl, Opp. Distt. Court, Rajiv Chowk, Gurgaon – 122001 and at any adjournment thereof.

**Signature of Member/Proxy**

(THIS ATTENDANCE SLIP DULY FILLED TO BE HANDED OVER AT THE ENTRANCE OF THE MEETING HALL)

PARNAMI CREDITS LIMITED  
(CIN: L65910HR1993PLC032070)

Registered office:  
Parnami Tower, 2<sup>nd</sup> Floor, SCO 50-51, Old Judicial  
Complex Civil Lines, Gurgaon, Haryana - 122001  
E-mail Id: [parnamilimited@gmail.com](mailto:parnamilimited@gmail.com)  
Website: [www.parnamicredits.co.in](http://www.parnamicredits.co.in)

## BALLOT FORM

(In lieu of E-voting)

21<sup>st</sup> Annual Report 2013-14

Sr. No.: \_\_\_\_\_

- 1 Name :
- 2 Registered Address of the sole/first name Shareholder :
- 3 Name(s) of the Joint Shareholder(s) if any :
- 4 Registered Folio/ DPID & Client ID No. :
- 5 No. of Shares held :

I/We hereby exercise my/our vote in respect of the Resolution(s) to be passed for the business stated in the Notice dated September 4, 2014 convening the 21<sup>st</sup> Annual General Meeting of the Company to be held on September 30, 2014, by conveying my/our assent or dissent to the said Resolution(s) by placing the tick (v) mark at the appropriate box below.

Item No.	Description	Type of resolution	No. of equity shares	I/We assent to the resolution (For)	I/We dissent to the resolution (Against)
1	Adoption of Financial Statements and Report of the Board of Directors and Auditors thereon, for financial year ended March 31, 2014.	Ordinary Resolution			
2	Appointment of a director in place Mr. Brajesh Kataria (DIN 00668977), who retires by rotation and being eligible, offers himself re-appointment.	Ordinary Resolution			
3	Appointment of M/s. Subramaniam Bengali & Associates, Chartered Accountants, Mumbai, having Firm Registration No. 127499W as the auditors of the Company in place of Retiring auditor of the Company M/s. Vinod Arora & Co., Chartered Accountants	Ordinary Resolution			
4	Appointment of Mr. Ranjeet Sharma (DIN: 00033074), as an Independent Director.	Ordinary Resolution			
5	Appointment of Mr. Naresh Patade (DIN: 06706482) as a Whole Time Director of the Company	Special Resolution			
6	Appointment of Mr. Anil Khanna (DIN 02435647) as Non Executive Independent Director.	Ordinary Resolution			
7	Appointment of Mr. Kishan Chand Wadhwa (DIN: 01557374) as Non Executive Independent Director.	Ordinary Resolution			

Place: \_\_\_\_\_

Date: \_\_\_\_\_

\_\_\_\_\_  
Signature of shareholder

NOTE: Kindly read the instructions printed overleaf before filing the form. Valid Ballot Forms received by the scrutinizer by 6.00 p.m. on September 23, 2014 shall only be considered.

### E-VOTING

Users who wish to opt for e-voting may use the following login credentials.

EVEN (E Voting Event No.)	User ID	PASSWORD

The instructions for members for voting electronically are as under:-

In case of members receiving e-mail:

- (i) Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- (ii) Click on "Shareholders" tab.
- (iii) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (iv) Next enter the Image Verification as displayed and Click on Login.
- (v) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vi) If you are a first time user follow the steps given below:



For Members holding shares in Demat Form and Physical Form

- PAN\* Enter your 10 digit alpha-numeric \*PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)
- Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/folio number in the PAN field.
  - In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.
- DOB Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
- Dividend Bank Details Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.
- Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the number of shares held by you as on the cutoff date in the Dividend Bank details field.
- (vii) After entering these details appropriately, click on "SUBMIT" tab.
- (viii) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (x) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xi) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvi) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.com> and register themselves as Corporates.
  - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

In case of members receiving the physical copy:

- (A) Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.
- (B) The voting period begins on September 22, 2014 and ends on September 23, 2014. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of August 29, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (C) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

For members who wish to vote using ballot form:

- (A) Pursuant to Clause 35B of the listing agreement, Members may fill in the ballot form enclosed with the Notice (a copy of the same is also part of the soft copy of the Notice) and submit the same in a sealed envelope to the Scrutinizer, Mr. Kundan Agrawal, C/o. Parnami Credits Limited, Parnami Tower 2nd Floor, SCO 50-51 Old Judicial Complex Civil Lines, Gurgaon, Haryana-122001, so as to reach by 6.00 p.m. on September 23, 2014. Unsigned, incomplete or incorrectly ticked forms are liable to be rejected and the decision of the Scrutinizer on the validity of the forms will be final.
- (B) In the event, a member casts his votes through both the processes i.e. e-voting and ballot form, the votes in the electronic system would be considered and the ballot form would be ignored

**BY COURIER / REGD. POST**

TO,

**IF UNDELIVERED PELASE RETURN:**

To,

**Parnami Credits Limited**

Parnami Tower, 2nd Floor, SCO 50-51, Old Judicial  
Complex Civil Lines, Gurgaon, Haryana - 122001