

ANNEXURE III**CORPORATE GOVERNANCE REPORT****1. A BRIEF STATEMENT ON COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:**

The essence of Corporate Governance lies in its transparency, its efficiency lies in its ability to protect the stakeholders' interest. This is precisely what your Company's governance process and practice ventured to achieve; a transparency and professionalism in action as well as the implementation of policies and procedures to ensure high ethical standards as well as responsible management. To enunciate the spirit behind the governance process, your Company listed out its various compliances with the statutory requirements of the day, as well as the spirit of the practice.

2. COMPOSITION OF THE BOARD OF DIRECTORS:

As on 31st March, 2018, your Company's Board of Directors consisted of Four (4) Directors with varied experiences in different areas. Some of them are acknowledged as leading professionals in their respective fields. The composition of the Board is in conformity with the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). During the year Mr. Rakeshchand M Jain, the Chairman of the Company, heads the Board. The Board comprises of one Executive Promoter Director, one Executive Professional Director and two Independent Directors.

S. No.	Name of the Director	Category (Executive/ Non-Executive)	Number of Board Meetings attended	Whether last AGM held on 30th September 2017 attended	Other directorships held (including in private companies at the year-end)	Number of Committee Membership/ in Chairmanship other domestic companies as at the year end
1	Ms. Rachana Abhishek Singi*1	Promoter Executive	NA	NA	Creative Textile Mills Private Limited	NA
2	Ms. Seema Alok Pathak*2	Non-Executive	NA	NA	NA	NA
3	Rear Admiral Vineet Bakhshi (Retired) *3	Independent Non-Executive	NA	NA	NA	NA
4	Mr. Virendra Narayanlal Jain*4	Independent Non-Executive	NA	NA	1. Anor Technologies Private Limited 2. Tarini Jewels Private Limited 3. Trio Data And Softwares Private Limited	NA
5	Mr. Suryakant Laxman Khare*#1	Independent Non-Executive	NA	NA	NA	NA
6	Mr. Rakeshchand M Jain#1	Promoter Executive	7	Yes	1. S R K Industries Limited 2. Saraf Overseas Pvt Ltd 3. Premium Multitrade Private Limited 4. Subhmangal Sales Private Limited 5. JintanVanijya Private Limited 6. SairamTradecomm Private Limited 7. Maxgain Advisory Private Limited 8. Suryadeep Commercial Private Limited 9. Island Media And Entertainment Private Limited 10. Transcend Commerce Limited	2

7	Mr. Naresh Patade#2	Professional Executive	7	Yes	1. Zircon Media Network Private Limited 2. Laksh Mercantile Private Limited	NA
8	Mr. Anil Khanna #3	Independent Non-Executive	6	Yes	NA	NA
9	Ms. Meenal Baid#4	Independent Non-Executive	7	Yes	1. Falpar Chemicals Private Limited	NA

*1Ms. Rachana Abhishek Singi, Additional Director and Managing Director was appointed on August 01, 2018.

*2 Ms. Seema Alok Pathak, Additional Director was appointed on August 01, 2018.

*3 Rear Admiral Vineet Bakhshi (Retired), Additional Independent Director was appointed on August 01, 2018.

*4 Mr. Virendra Narayanlal Jain, Additional Independent Director was appointed on August 01, 2018.

*#1 Mr. Suryakant Laxman Khare, Additional Independent Director was appointed on May 26, 2018 and has resigned on August 01, 2018.

*#1 Mr. Rakeshchand Madanlal Jain, Managing Director has resigned on August 01, 2018.

*#2 Mr. Naresh Patade, Whole-time Director and Chief Financial Officer has resigned on August 01, 2018.

*#3 Ms. Anil Khanna, Independent Director has resigned on April 14, 2018.

*#4 Ms. Meenal Baid, Independent Director has resigned on July 27, 2018.

During the year 2017-18, Seven meetings of the Board of Directors were held on 10th May 2017, 01st July 2017 01st August 2017, 30th August 2017, 14th November 2017, 08th February 2018 and 14th February 2018. The Company has thus observed the provisions of the Companies Act, 2013 and Listing Regulations allowing not more than 120 days gap between two such meetings. None of Non-Executive Directors, holds shares in the Company as on 31st March, 2018.

DISCLOSURE OF RELATIONSHIP BETWEEN DIRECTORS INTER-SE

None of the Directors are related to each other.

FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

The Company has a detailed familiarization programme for Independent Directors to familiarize them with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company etc. The details of such programme are available on the web-link:<http://www.parnamicredits.in/>

3. AUDIT COMMITTEE:

The terms of reference of the Audit Committee are wide enough to cover the matters specified for Audit Committees under Section 177 of the Companies Act, 2013.

The composition of Audit Committee as on report date is as follow:

S.No.	Composition	Members/ Chairperson
1.	Rear Admiral Vineet Bakhshi (Retired)*	Chairman
2.	Mr. Virendra Jain*	Member
3.	Mrs. Seema Pathak*	Member

* Rear Admiral Vineet Bakhshi (Retired), was appointed as Chairman of the Committee and Mr. Virendra Jain & Mrs. Seema Pathak were appointed as members of the Committee on 10th August, 2018.

The composition of Audit Committee as on 31st March, 2018 was as follow:

Ms. Meenal Baid was the Chairman of the Committee and Mr. Naresh Patade & Mr. Anil Khanna were the other members of the Audit Committee. The terms of reference of the Audit Committee are as outlined in the Act.

Mr. Suryakant Laxman Khare, was appointed as member of the Audit committee on May 26, 2018 and who ceased to be member of the committee pursuant to his resignation as Additional Independent Director on August 01, 2018.

During 2017-2018, six meetings of the Audit Committee were held on 10th May 2017, 01st August 2017, 30th August 2017, 14th November 2017 08th February 2018 and 14th February 2018. The attendance of the members of the Audit Committee was as follows:

S.No.	Dates on which the Audit Committee Meetings were held	Attendance of Directors		
		Ms. Meenal Baid	Mr. Anil Khanna	Mr. Naresh Patade
1	10th May 2017	Attended	Not-Attended	Attended
2	01st August 2017	Attended	Not-Attended	Attended
3	30th August 2017	Attended	Attended	Attended
4	14th November 2017	Attended	Attended	Attended
5	08th February 2018	Attended	Not-Attended	Attended
6	14th February 2018	Attended	Not-Attended	Attended

4. NOMINATION AND REMUNERATION COMMITTEE

As required under Section 178(1) of the Act, the Board has constituted the Nomination and Remuneration Committee.

The composition of Nomination and Remuneration Committee as on report date is as follow:

S.No.	Composition	Members/ Chairperson
1.	Mrs. Seema Pathak*	Chairman
2.	Rear Admiral Vineet Bakhshi (Retired)*	Member
3.	Mr. Virendra Jain*	Member

* Mrs. Seema Pathak, was appointed as Chairman of the Committee and Mr. Virendra Jain & Rear Admiral Vineet Bakhshi (Retired) were appointed as members of the Committee on 10th August, 2018.

The composition of Nomination and Remuneration Committee as on 31st March, 2018 was as follow:

Ms. Meenal Baid was the Chairman of the Committee and Mr. Naresh Patade and Mr. Anil Khanna were the other members of the Nomination and Remuneration Committee.

The Committee is, inter alia, authorised to identify persons who are qualified to become Directors and who may be appointed in Senior Management, evaluation of Directors performance, formulating criteria for determining qualifications, positive attributes and independence of a director and recommending policy relating to the remuneration for the Directors, key managerial personnel and other employees and granting of stock options to eligible employees.

During the year, two meetings of the Committee were held on 10th May, 2017 and 30th August, 2018. The details of attendance of the members of the Nomination and Remuneration Committee are as follows:

S.No.	Nomination and Remuneration Committee Meetings were held	Attendance of Directors		
		Ms. Meenal Baid	Mr. Anil Khanna	Mr. Naresh Patade
1	10th May 2017	Attended	Attended	Attended
2	30th August 2017	Attended	Attended	Attended

PERFORMANCE EVALUATION CRITERIA FOR INDEPENDENT DIRECTORS:

Each Independent Director's performance was evaluated as required by Schedule IV of the Act having regard to the following criteria of evaluation viz. (i) Qualification, (ii) Experience, (iii) Availability and Attendance, (iv) Integrity (v) Commitment. (vi) Governance (vii) Independence (viii) Communication (ix) Preparedness (x) Participation and (xi) Value Addition.

Nomination and Remuneration Committee recommended the remuneration policy relating to the remuneration for the Directors, Key Managerial Personnel and other employees which was approved and adopted by the Board and the same is available on web-link <http://www.parnamicredits.in/>

5. REMUNERATION OF DIRECTORS

In accordance with the provisions of Section 178(3) of the Act, the Remuneration paid to the Executive Directors and Non-Executive Directors:

S.No.	Director & Designation	Category	Salary and Perquisites	Commission*	Sitting Fees
1.	Mr. Naresh Patade, Whole-time Director & Chief Financial Officer	Executive Director	Rs. 2,40,000	-	-

The Non-Executive Directors are paid remuneration in accordance with the prevalent practice in the industry and commensurate with their experience, time devoted to the Company and also considering the profits of the Company.

Apart from the above remuneration, there is no other material pecuniary relationship or transactions by the Company with the Directors.

The performance criteria for payment of remuneration is stated in the Remuneration Policy available on web-link <http://www.parnamicredits.in/>

6. STAKEHOLDERS RELATIONSHIP COMMITTEE:

As required under Section 178(5) of the Act, the Company has constituted Stakeholders Relationship Committee.

The composition of Stakeholders Relationship Committee as on report date is as follow:

S.No.	Composition	Members/ Chairperson
1.	Mr. Virendra Jain*	Chairman
2.	Mrs. Seema Pathak*	Member
3.	Rear Admiral Vineet Bakhshi (Retired)*	Member

* Mr. Virendra Jain, was appointed as Chairman of the Committee and Mrs. Seema Pathak & Rear Admiral Vineet Bakhshi (Retired) were appointed as members of the Committee on 10th August, 2018.

The composition of Stakeholders Relationship Committee as on 31st March, 2018 was as follow:

Ms. Meenal Baid was the Chairman of the Committee and Mr. Rakeshchand M Jain and Mr. Anil Khanna were the other members of the Stakeholders Relationship Committee.

The Committee inter alia, looks into redressing the grievances of the Security holders of the Company viz. non-receipt of transferred shares and non-receipt of dividend, among others.

The Company Secretary act as the Compliance Officer of the Company.

During 2017-2018, 4 meetings of the Stakeholders' Relationship Committee were held on 10th May 2017, 01st August 2017, 14th November 2017 and 08th February 2018 and the same were attended by all the members of the Committee. The other relevant details are as under:

A)	Number of complaints received from shareholders from 1st April 2017 to 31st March 2018	Nil
B)	Number of complaints resolved	NA
C)	Number of complaints not solved to the satisfaction of shareholders which were subsequently resolved post March 31, 2018	NA

7. RISK MANAGEMENT COMMITTEE

The company is engaged in the business of Non-Banking Financial Company (NBFC) and with a view to control various risks associated with the operations of the Company a view to preventing unacceptable losses; effective means of identifying, measuring and monitoring credit exposures incurred by the Company. The Board has constituted the Risk Management Committee.

The composition of Risk Management Committee as on report date is as follow:

S.No.	Composition	Members/ Chairperson
1.	Mr. Virendra Jain (Independent Director)	Chairman
2.	Mrs. Seema Pathak (Non-Executive Director)	Member
3.	Mr. Alok Pathak (Chief Financial Officer)	Member

8. ADMIN COMMITTEE

To carry on the day to day operation of the Company, Board has constituted Admin Committee.

The composition of Admin Committee as on report date is as follow:

S.No.	Composition	Members/ Chairperson
1.	Ms. Rachana Singi (Managing Director)	Chairperson
3.	Mr. Alok Pathak (Chief Financial Officer)	Member

9. GENERAL BODY MEETING:

- i. Location and time where the last three Annual General Meetings (AGM) were held and the number of Special Resolution passed

AGM	Year	Venue	Date	Time	No. of Special Resolutions passed
24 th	2016-17	Bikaner Banquet Hall, DSS- 180, Near Govt. PG College, Main HUDA Market Sec-9, Gurgaon - 122001 (Haryana)	30 th September, 2017	09:00 AM	3
23 rd	2015-16	Parnami Tower, 2nd Floor, Sco 50-51 Old Judicial Complex Civil Lines, Gurgaon – 122001 (Haryana)	29 th September, 2016	10.00 AM	3
22 nd	2014-15		29 th September 2015	11.30 AM	

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ii. Whether any special resolution passed last year through postal ballot - Yes

- Approval for Shifting of Registered Office of the Company
- Resolution under Section 180 (1)(a)
- Resolution under Section 180 (1)(c)

iii. Person who conducted the Postal Ballot - M/s. B. K. Pradhan and Associates, Company Secretaries

- iv. Procedure for Postal Ballot:** In compliance with Sections 108 and 110 and other applicable provisions of the Companies Act, 2013, read with the related Rules, the Company provides electronic voting (e-voting) facility to all its members. The Company engages the services of NSDL for the purpose of providing e-voting facility to all its members. The members have the option to vote either by physical ballot or through e-voting.

The Company dispatches the postal ballot notices and forms along with postage prepaid business reply envelopes to its members whose names appear on the register of members / list of beneficiaries as on a cut-off date. The postal ballot notice is sent to members in electronic form to the email addresses registered with their depository participants (in case of electronic shareholding) / the Company's registrar and share transfer agents (in case of physical shareholding). The Company also publishes a notice in the newspaper declaring the details of completion of dispatch and other requirements as mandated under the Act and applicable Rules.

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

The scrutinizer submits his report to the Chairman, after the completion of scrutiny, and the consolidated results of the voting by postal ballot are then announced by the Chairman / authorized officer. The results are also displayed on the Company website, <http://www.parnamicredits.in/> besides being communicated to the stock exchanges, depository and registrar and share transfer agent.

The last date for the receipt of duly completed Postal Ballot Forms or e-voting shall be the date on which the resolution would be deemed to have been passed, if approved by the requisite majority.

10. MEANS OF COMMUNICATION:

The financial results of the Company are reported as mentioned below:

Quarterly results normally published/proposed to be published in Newspapers	English -Financial Express Marathi-Aapla Mahanagar
Details of Company Website where results are displayed	www.parnamicredits.in
Whether it displays official news release and the presentations, if any, made to institutional investors or to the analysts.	Yes

11. GENERAL SHAREHOLDERS INFORMATION:

A.	Annual General Meeting	
	Date	September 29, 2018
	Time	11.00 AM
	Venue	101, Amir Industrial Estate, Sun Mill Compound, Lower Parel, Mumbai - 400013
B.	Financial Calendar	1st April 2018 to 31st March 2019 (tentative)
	First quarterly results	End of July 2018
	Second quarterly results	End of October 2018
	Third quarterly results	End of January 2019
	Audited yearly results	End of May 2019
C.	Date of Book Closure (both days inclusive)	September 23, 2018 to September 29, 2018
D.	Dividend payment date	NA
E.	Listing	BSE Ltd. (BSE) The Listing Fees for the year 2018-19 have been paid to both the Stock Exchanges.
F.	Stock Code	BSE: 532504
G.	ISIN Number	INE837C01013

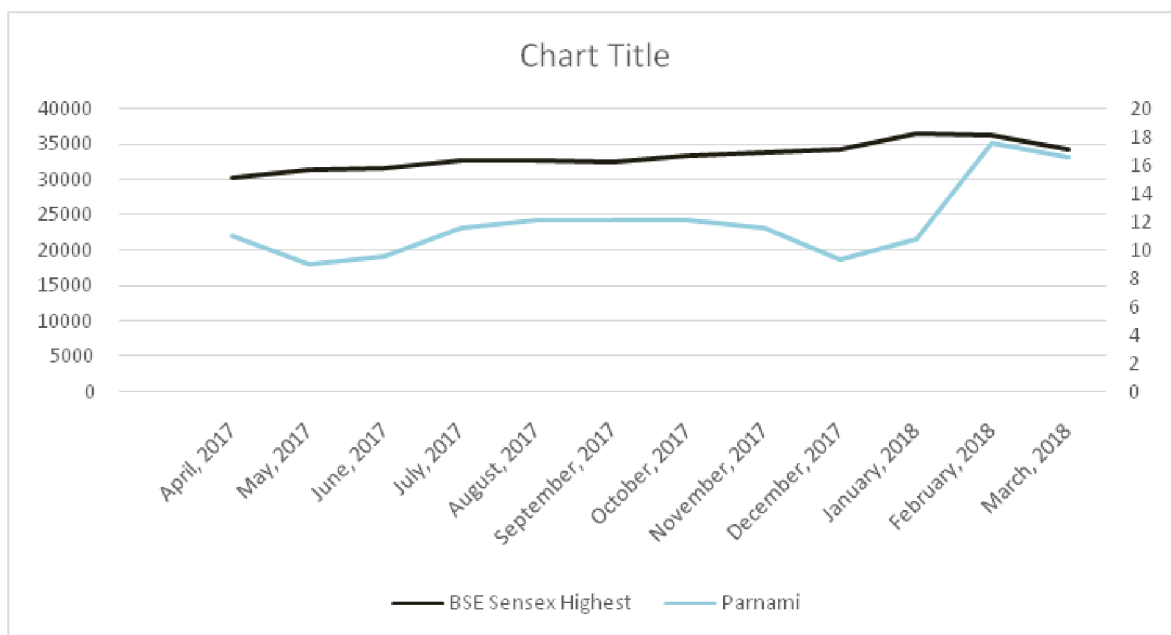
H. MONTHLY HIGH AND LOW DURING EACH MONTH OF THE FINANCIAL YEAR:

Market price data - high, low, during each month in last financial year.

Bombay Stock Exchange (BSE Ltd.)

Month	Highest	Lowest	BSE Sensex Highest	BSE Sensex Lowest	No. of shares Traded
April, 2017	11.06	9.05	30184.22	29241.48	1,400
May, 2017	9.04	7.25	31256.28	29804.12	1,09,150
June, 2017	9.65	8.00	31522.87	30680.66	1,627
July, 2017	11.61	10.00	32672.66	31017.41	2,292
August, 2017	12.19	12.19	32686.48	31128.02	1,000
September, 2017	12.19	12.19	32524.11	31081.83	0
October, 2017	12.19	12.19	33340.17	31440.48	0
November, 2017	11.59	9.10	33865.95	32683.59	6,13,106
December, 2017	9.41	9.25	34137.97	32565.16	3,08,138
January, 2018	10.85	8.99	36443.98	33703.37	75,018
February, 2018	17.60	11.39	36256.83	33482.81	2,13,150
March, 2018	16.65	15.10	34278.63	32483.84	1,070

Performance in comparison to broad based indices: Company share price and BSE Sensex



I. REGISTRAR AND SHARE TRANSFER AGENTS:

M/s. Mas Services Limited are the Registrars and Share Transfer Agents of the Company. The address for correspondence is as under:

M/s. Mas Services Limited

Address: T-34, 2nd Floor, Okhla Industrial Area,
Phase - II, New Delhi - 110 020

Ph: 26387281/82/83

Fax: 26387384

email: info@masserv.com

Website: www.masserv.com

J. SHARE TRANSFER SYSTEM:

The process of recording of share transfers, transmissions, etc., for shares held in electronic form is handled by Sharex Dynamic (India) Pvt. Ltd (RTA) and a report thereof is sent to the Company periodically and the Stakeholders' Relationship Committee of the Company takes note of the same at its meetings. In respect of shares held in physical form, the transfer documents are lodged with the RTA and after processing, the same are sent to the company and the Stakeholders' Relationship Committee conveys its approval to the Registrars, who dispatch the duly transferred share certificates to the shareholders concerned after complying with the applicable provisions. The average time taken for processing share transfer requests (in physical) including dispatch of share certificates is 15 days.

K. DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH 2018:

Particulars	No of Shares	% of Shares
Promoter and Promoter Group	8,94,898	26.69
Public	24,57,902	73.31
Total	33,52,800	100

L. SHAREHOLDING PATTERN AS ON 31STMARCH, 2018:

S.No.	Category	No. of shares held	% of Shareholding
1	Promoters' holding	8,94,898	26.69
2	Mutual Funds and UTI	0	0
3	Bank, Financial institutions, insurance companies, central / state government institutions	0	
4	FII's (Foreign Institutional Investors)	0	
5	Private Corporate Bodies	84,100	2.51
6	Indian Public	23,01,263	68.64
7	NRIs / OCBs	0	0
8	Any other (please specify)		
	Clearing Member	45,997	1.37
	Other	26,542	0.79
	Total	33,52,800	100

M. DEMATERIALISATION DETAILS:

The equity shares of our Company are traded on BSE Ltd on March 31 2018, 30,97,900 Equity Shares are in demat form and 2,54,900 Equity Shares in physical form.

N. Outstanding GDR / ADR : N.A.**O. COMMODITY PRICE RISK OR FOREIGN EXCHANGE RISK AND HEDGING ACTIVITIES:**

The Company has a Board approved Foreign Currency Risk Management Policy. Any risk arising from exposure to foreign currency for exports and imports is being hedged on a continuous basis. As of now, the Company does not hedge any commodity price risk.

P. PLANTS / FACTORIES: N.A.**Q. ADDRESS FOR CORRESPONDENCE:****Parnami Credits Limited**

a) **Registered Office:** 101, Amir Industrial Estate, Sun Mill Compound, Lower Parel, Mumbai - 400013

Website: www.parnamicredits.in

E-mail: parnamilimited@gmail.com

b) **Corporate Office:** 3rd Floor, A-514, TTC Industrial Area, MIDC, Mahape, Navi Mumbai - 400701

12. OTHER DISCLOSURES:

- i) Disclosure on materially significant related party transaction, that may have potential conflict with the interest of the Company at large:
None of the transactions with any of the related parties were in conflict with the interest of the Company.
- ii) Details of non-compliance by the Company, penalties, strictures imposed by stock exchanges/SEBI or any statutory authority, on any matter related to capital markets, during the last three years:
None
- iii) Details of establishment of vigil mechanism, Whistle Blower Policy and affirmation that no personnel have been denied access to the audit committee, In accordance with the requirements of the Act, read with Listing Regulations, the Company has a Whistle Blower Policy approved by the Board of Directors. The objectives of the policy are:
- To provide a mechanism for employees and directors of the Company and other persons dealing with the Company to report to the Audit Committee; any instances of unethical behaviour, actual or suspected fraud or violation of the Company's Ethics Policy and
 - To safeguard the confidentiality and interest of such employees/directors/other persons dealing with the Company against victimisation, who notice and report any unethical or improper practices.
 - To appropriately communicate the existence of such mechanism, within the organisation and to outsiders. Whistle Blower Policy is available on weblink <http://www.parnamicredits.in/>
The Company confirms that no personnel has been denied access to the audit committee pursuant to the whistle blower mechanism.
- iv) Disclosure under The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013.
The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. During the year no complaints of sexual harassment were received.
- v) The Company has complied with all the mandatory requirements of Listing Regulations, in respect of corporate governance.
The following non-mandatory requirements have been adopted by the Company:
- Statutory Auditor's Report does not contain any qualifications.
 - The Company has appointed separate persons to the posts of Chairman and Managing Director.
 - The Internal Auditors report directly to the Audit Committee
- vi) The policy for determining 'material' subsidiaries is available on web link: <http://www.parnamicredits.in/>
- vii) The policy on dealing with related party transactions is available on web link <http://www.parnamicredits.in/>
- viii) As of now, the Company does not hedge any commodity price risk.

13. Declaration signed by the chief executive officer stating that:

The Board of Directors and senior management personnel have affirmed compliance with the code of conduct of board of directors and senior management.

14. Compliance certificate from either the auditors or practicing company secretaries regarding compliance of conditions of corporate governance shall be annexed with the directors' report.

Compliance of revised Regulation 27 of SEBI (Listing Obligations And Disclosures Requirements), Regulations, 2015 is not mandatory for the Company. Hence, the Company has not obtained the CEO/CFO certification and Compliance Certificate on Corporate Governance as per the provisions of revised Regulation 27 of SEBI (Listing Obligations And Disclosures Requirements), Regulations, 2015.

15. The listed entity shall disclose the following details in its annual report, as long as there are shares in the demat suspense account or unclaimed suspense account, as applicable:

- (a) Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year: Not Applicable
- (b) number of shareholders who approached listed entity for transfer of shares from suspense account during the year: Not Applicable
- (c) number of shareholders to whom shares were transferred from suspense account during the year: Not Applicable
- (d) Aggregate number of shareholder and the outstanding shares in the suspense account lying at the end of the year: Not Applicable
- (e) that the voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares: Not Applicable
- (f) Risk Management System; The Company has structured a robust Risk Management Plan to identify and evaluate various business risks and opportunities. As per the plan, the Audit Committee / Board of Directors will be informed on quarterly basis about various risks identified by the Senior Management, the mitigation plan devised by them, progress on various plans / activities being implemented to mitigate the same and any other risks, newly identified with mitigation plan

For and on behalf of Board of Parnami Credits Limited

Sd/-

Rear Admiral Vineet Bakhshi (Retired)

Chairman and Additional Director

DIN: 02960365

Address: 137, Shakti Nagar, Dadabari,
Kota - 324009 Rajasthan, India

Date: 18 August, 2018

Place: Navi Mumbai