

**REPORT ON CORPORATE GOVERNANCE**

Corporate Governance refers to the system by which corporations are directed and controlled. The governance structure specifies the distribution of rights and responsibilities among different participants in the corporation such as the board of directors, managers, shareholders, creditors, auditors, regulators, and other stakeholders and specifies the rules and procedures for making decisions in corporate affairs. Corporate Governance provides the structure through which corporations set and pursue their objectives, while reflecting the context of the social, regulatory and market environment. Corporate Governance is a mechanism for monitoring the actions, policies and decisions of corporations. Governance involves the alignment of interests among the stakeholders.

**A. COMPOSITION OF BOARD OF DIRECTORS:**

PCL has Board with optimum combination of Executive and Non-Executive Directors. Non-Executive Directors include independent professionals with experience in business, finance, development of housing project, taxation and technology. Independent Directors of the Company provide appropriate annual certifications to the Board confirming satisfaction of the conditions of their being independent as laid down in Clause 49.

The Company believes that ethics are very important in any business as they are directly related to the goodwill of the Company.

The Corporate Governance Policy of the Company is based on principles of equity and ensures the following:

- Proper composition of the Board of Directors;
- Timely dissemination of material information to the Stakeholders concerning their interests;
- Adequate Internal Checks and Balances;
- Transparency and Accountability; and
- Compliance with the applicable laws and regulations.

The statutory requirement of Corporate Governance envisages transparency full disclosure and independent monitoring of the state of affairs and being fair to the Shareholders. Our Philosophy is to protect the interest of Investors.

The Composition of the Board and the number of directorships, memberships and chairmanship of committees as on March 31, 2015, are given below:

Name of the Directors	Designation / category	*No. of Directorship in Boards of other Co.	Committee Membership in all Companies	Chairmanship in committees where they are members
Mr. T.K Parnami	Managing Director /Promoter	Yes	Yes	Yes
Mr.Naresh Patade Vasant	Director Non Executive & Independent Director	Yes	Nil	Nil
Mr.Raman Kumar Parnami *	Director Non Executive & Independent Director	Nil	Nil	Nil
Mr. Anil Kumar Parnami *	Director Non Executive & Independent Director	Yes	Nil	Nil
Mr. Brajesh Kumar Kataria *	Director Non Executive & Independent Director	Yes	Yes	Yes
Mr. Kishan Chand Wadhwa *	Director Non Executive & Independent Director	Nil	Yes	Yes
Mr. Ranjeet P. Sharma *	Director Non Executive & Independent Director	Nil	Nil	Nil
MR. Anil Khanna	Director Non Executive & Independent Director	Yes	Yes	Yes
Mr.Amreesh Kumar **	Director Non Executive & Independent Director	Nil	Yes	Yes
Mr.Ishant Malhotra **	Director Non Executive & Independent Director	Nil	Yes	Yes
Ms.Sunita Malhotra ***	Director Non Executive & Independent Director	Nil	Nil	Nil

\* Alternate directorship, directorship in private limited companies, foreign companies and membership in governing councils, chambers and other bodies not included.

\* Resigned from the Directorship on 14.02.2015

\*\* Appointed as additional Director on 14.02.2015

\*\*\* Appointed as Additional Director on 27.03.2015

**Details of shareholdings of Directors as on March, 2015**

The number of equity shares of face value Re. 10 each of the Company held by the Directors on March 31, 2015 is as under:

Mr. T.K Parnami	Managing Director	NIL
Mr.Naresh Patade Vasant	Whole Time Director	NIL
MR. Anil Khanna	Director	NIL
Mr.Amreesh Kumar	Additional Director	NIL
Mr.Ishant Malhotra	Additional Director	NIL
Mrs.Sunita Malhotra	Additional Director	NIL

**B. BOARD MEETINGS AND ATTENDANCE**

Seven meetings were held during the year 2014-15. The dates on which the said meetings were held are 29.05.2014, 17.07.2014, 14.08.2014, 04.09.2014, 14.11.2014, 14.02.2015 and 27.03.2015. The maximum interval between any two Board Meetings was not more than 4 months.

The presence of Directors at the Board meetings and last AGM was as follows:

Name of director	No. of meetings held	No. of meetings Attended	Last AGM Attended
Mr. T.K Parnami	7	7	Yes
Mr.Naresh Patade Vasant	7	3	No
Mr.Raman Kumar Parnami *	7	1	Yes
Mr. Anil Kumar Parnami *	7	5	Yes
Mr. Brajesh Kumar Kataria *	7	6	Yes
Mr. Kishan chand wadhwa *	7	2	Yes
Mr. Ranjet P. Sharma *	6	Nil	No
MR. Anil Khanna	6	6	Yes

Mr.Amreesh Kumar **	6	3	No
Mr.Ishant Malhotra **	6	3	No
Mrs.Sunita Malhotra ***	6	Nil	No

\* Resigned from the Directorship on 14.02.2015

\*\* Appointed as additional Director on 14.02.2015

\*\*\* Appointed as Additional Director on 27.03.2015

None of the directors is a member in more than ten committees or acts as a Chairman in more than five committees across all companies in which he is a director.

### C. CODE OF CONDUCT:

The Board of Directors has laid down a Code of Conduct for the Board members and senior management personnel of the Company. The same is circulated among the Board Members and Senior Management Personnel. All the members of the Board and Senior Management Personnel have affirmed compliance of the respective Code of Conduct on Annual Basis. The required Declaration to the Compliance is offered herewith. It is also available on company's website [www.parnamicredits.in](http://www.parnamicredits.in)

### DECLARATION REGARDING COMPLIANCE WITH THE CODE OF CONDUCT OF THE COMPANY IS GIVEN HEREIN BELOW:-

I hereby confirm that the Company has obtained from all the members of the Board and Senior Management Personnel of the Company, affirmation that they have complied with the Code of Conduct of the Company during the financial year 2014-2015.

#### I. AUDIT COMMITTEE:

The primary responsibility of the Audit Committee is to monitor and provide effective supervision of the management's financial reporting process, to review the quality and reliability of the information used by the Board. The Audit Committee also focuses on the adequacy and appropriateness of the internal controls of the Company. The functions of the Audit Committee include the following:

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct and show true and fair view.
2. Recommending to the Board, the appointment, re-appointment and if required, the replacement or removal of the statutory auditor, Cost Auditor, Secretarial Auditor and the Internal Auditors and the fixation of remuneration of the auditors.
3. To review and monitor the independence and performance of the Auditors and to review effectiveness of audit process periodically preferably bi-annually.
4. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
  - a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in pursuance of the provisions of the section 134(3)(c) of the Companies Act, 2013.
  - b) Changes, if any, in accounting policies and practices and reasons for the same
  - c) Major accounting entries involving estimates based on the exercise of judgment by management
  - d) Significant adjustments made in the financial statements arising out of audit findings
  - e) Compliance with Listing and other legal requirements relating to financial statements
  - f) Disclosure of any related party transactions
  - g) Qualifications / Observations / adverse Remarks in the audit report by Statutory Auditors, Cost Auditors & Secretarial Auditors and its reply to be covered in the Directors' Report.
  - h) Evaluation of internal financial controls and risk management systems;
  - i) Reviewing with the Management, performance of the statutory and internal auditors and adequacy of the internal control systems
  - j) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
  - k) Discussions with the statutory auditors before the audit commences, about the nature and scope of the audit as well as post-audit discussions to ascertain any area of concern;
  - l) To look into the reasons for substantial defaults in the payment to depositors, debenture holders, members (in case of non-payment of declared dividends) and creditors;
  - m) To review the functioning of the Whistle Blower mechanism / Vigil mechanism.
  - n) Approval of appointment of CFO (i.e. the Whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc of the candidate;
  - o) Carrying out any other functions as specified in the terms of reference, as amended from time to time.
5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
6. Reviewing the adequacy of internal audit function, including the Scope of Internal Audit, periodicity / frequency of internal audit, reporting by internal auditors, discussions on the observations made on audit with Management. To discuss with internal auditors any significant findings and follow up there on.
7. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board. Further to evaluate Internal Financial control and risk management systems.
8. Reviewing with the Management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/ prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
9. Approval and subsequent modifications, if any, of the related party transactions (RPTs) with the Company. Explanation (i): The term "related party transactions" shall have the same meaning as contained in the Company's Policy on Related Party Transactions.

10. The Audit committee shall have authority to investigate into any matter in relation to the items specified above or referred to it by the Board and for this purpose shall obtain professional advice from external sources and have full access to information contained in the records of the Company.

4 (four) meetings were held during the year under review on 29.05.2014, 14.08.14, 14.11.14, 14.02.2015.

The composition of Audit Committee and attendance of each committee member is as under:-

Name of the Director	Designation	Category	No. of Meetings Held	No. of Meetings Attended
Kishanchand Wadhwa*	Chairman	Non-Executive / Independent Director	4	4
Mr. T.K. Parnami	Member	Managing Director	4	4
Mr. Anil Khanna	Member	Non-Executive / Independent Director	4	4
Mr. Amreesh Kumar Tyagi**	Chairman	Non-Executive / Independent Director	4	1
Ms. Ishant Malhotra**	Member	Non-Executive / Independent Director	4	1

\*Resigned as on 14.02.2015

\*\*appointed as on 14.02.2015.

#### **Vigil Mechanism / Whistle Blower Policy**

The Board of Directors of PARNAMI CREDITS LIMITED is committed to maintain the highest standard of honesty, openness and accountability and recognize that employees have important role to play in achieving the goal.

The Company's Whistleblower Policy encourages Directors and employees to bring to the Company's attention, instances of unethical behavior and actual or suspected incidents of fraud or violation of the conduct that could adversely impact the Company's operations, business performance and / or reputation. The Policy provides that the Company investigates such incidents, when reported, in an impartial manner and takes appropriate action to ensure that the requisite standards of professional and ethical conduct are always upheld. It is the Company's Policy to ensure that no employee is victimized or harassed for bringing such incidents to the attention of the Company. The practice of the Whistleblower Policy is overseen by the Board of Directors and no employee has been denied access to the Committee. The Whistleblower Policy is available on the Company's website [www.parnamicredits.in](http://www.parnamicredits.in)

#### **STAKEHOLDERS' RELATIONSHIP COMMITTEE:**

The Committee comprises Mr. Ishant Malhotra, Independent Director, Mr. Anil Khanna, Independent Director, Mr. Amreesh Kumar Tyagi, Independent Director and committee chaired by Mr. Ishant Malhotra.

This Committee is responsible for redressal of shareholders' and investors' complaints relating to transfer of shares, issue of duplicate/consolidated share certificates, allotment and listing of shares, review of cases for refusal of transfer/transmission of shares and debentures, non-receipt of balance sheet, and non-receipt of dividends declared. It is also responsible for reviewing the process and mechanism of redressal of investor complaints and suggesting measures of improving the existing system of redressal of investor grievances. This Committee is also responsible for approval of transfer of Equity and preference shares including power to delegate the same to registrar and transfer agents

The Securities and Exchange Board of India (SEBI) has commenced processing of investor complaints in a centralized web based complaints redress system 'SCORE'. The salient features of this system are:

Centralised database of all complaints, on line movements of complaints to the concerned listed companies, on-line upload of Action Taken Reports (ATRs) by the concerned companies and on-line viewing by investors of actions taken on the complaint and its current status.

All complaints pertaining to companies will be electronically sent through SCORES at [www.scores.sebi.gov.in](http://www.scores.sebi.gov.in). The companies are required to view the complaints pending against them and submit ATRs along with supporting documents electronically in SCORES, failure on the part of the company to update the ATR will be treated as non redressal of investor complaints by the company.

Yours' company has registered on SCORES and makes every effort to resolve all investor complaints received through SCORES or otherwise within the statutory time limit of the receipts of the complaint.

The committee met 4 (Four) times in the year on 29.05.14, 14.08.14, 14.11.14 and 14.02.2015.

Name of the Director	Designation	Category	No. of Meetings Held	No. of Meetings Attended
Brajesh Kataria*	Member	Non-Executive / Independent Director	4	3
Ranjeet Sharma*	Chairman	Non-Executive / Independent Director	4	Nil
Mr. Anil Khanna	Member	Non-Executive / Independent Director	4	4
Mr. Amreesh Kumar Tyagi **	Member	Non-Executive / Independent Director	4	1
Ms. Ishant Malhotra **	Chairman	Non-Executive / Independent Director	4	1

\*Resigned as on 14.02.2015

\*\*appointed as on 14.02.2015.

#### **INDEPENDENT DIRECTORS' MEETING**

The Company's Independent Directors met on 25<sup>th</sup> March, 2015 without the presence of the Managing Director & CEO, the Non-Executive, Non-Independent Directors and the Management Team. The meeting was attended by all the Independent Directors and was conducted informally to enable the Independent Directors to discuss matters pertaining to the Company's affairs and put forth their combined views to the Board of Directors of the Company

During the year under review, the Independent Directors met on 25th March 2015, interalia to discuss:

- Evaluation of the performance of Non-Independent Directors and the Board as a whole
- Evaluation of the quality, content and timelines of flow of information between the management and the Board that is necessary for the Board to effectively and reasonably to perform its duties.

All Independent Directors were present at the Meeting,

#### **NOMINATION & REMUNERATION COMMITTEE**

During the year under review, the Nomination & Remuneration Committee met (Two) times in the year to review on 14.02.2015 & 27.03.2015. The composition of the Committee along with the details of the meeting attended by the Directors is given below:

Name of the Director	Designation	Category	No. of Meetings Held	No. of Meetings Attended
Mr. Amreesh Kumar**	Chairperson	Non-Executive / Independent Director	2	2
Mr. Ishant Malhotra**	Member	Non-Executive / Independent Director	2	2
Mr. Anil Khanna	Member	Non-Executive / Independent Director	2	2

\*\*Mr. Amreesh Kumar and Mr. Ishant Malhotra have been appointed on 14.02.2015.

Memberships/Chairmanships in Audit Committee and Stakeholders' Relationship Committee, including those in Parnami Credits Limited.

#### CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Social Welfare Activities has been an integral part of the Company since inception. The Company is committed to fulfill its social responsibility as a good corporate citizen. The Companies Act, 2013, pursuant to the provision of Section 135, has laid down the requirement for constitution of Corporate Social Responsibility Committee, which shall be responsible for laying down the CSR Policy, to a certain class or classes of Companies. However, our Company does not fall under the requisite criteria and thus the compliance with the relevant provision of the Companies Act, 2013 is not applicable.

#### Memberships of other Boards

Independent Directors are expected not to serve on the boards of competing companies. No Director of the Company is a member of more than ten committees or can act as chairman of more than five committees across all Indian public limited companies in which he / she is a Director. For the purpose of these, only membership and chairmanship in Audit Committee and Stakeholders' Relationship Committee are considered.

Furthermore, every Director informs the Company about the committee positions he / she occupies in other companies and notifies the changes as and when they take place. The details of directorships held by the Company's Directors in public limited companies as on March 31, 2015 are given below:

Name of the Director	Directorship	Membership of Committee*	Chairmanship of Committee*
Mr. Brajesh Kataria *	Nil	2	1
Mr. Kishan Chand Wadhwa *	Nil	1	1
Mr. Ranjeet Sharma	Nil	Nil	1
Mr. Anil Khanna	Nil	3	Nil
Ms. Amreesh Kumar**	Nil	1	2
Mr. Ishant Malhotra**	Nil	2	1
Ms. Sunita Malhotra**	Nil	Nil	Nil

+ Memberships/Chairmanships in Audit Committee and Stakeholders' Relationship Committee, including those in Parnami Credits Limited.

\*Resigned as on 14.02.2015

\*\*Mr. Amreesh Kumar, Mr. Ishant Malhotra has been appointed on 14.02.2015 and Ms.Sunita Malhotra has been appointed on 27.03.2015.

#### A. GENERAL BODY MEETING:

i. The location, date and time of the Annual General Meetings of the Company held during the last three years are given below:-

Financial Year	Date / day	Time	Venue
2013-14 (a)	Tuesday, 30.09.2014	10.00 a.m.	Queen Pearl, Opp. Distt. Court, Rajiv Chowk, Gurgaon
2012-13 (b)	Wednesday, 18.09.2013	09.00 a.m.	Queen Pearl, Opp. Distt. Court, Rajiv Chowk, Gurgaon
2011-12 (c)	Wednesday, 26.09.2012	09.00 a.m.	The League Hotel, Old Delhi Road, Gurgaon

i. The following special resolutions were passed at the previous three Annual General Meetings:

- AGM held on 26<sup>th</sup> September, 2012  
No Special Resolutions were passed during the Annual General Meetings.
- AGM held on 18<sup>th</sup> September, 2013  
No Special Resolutions were passed during the Annual General Meetings.
- AGM held on 30<sup>th</sup> September, 2014

a) Appointment of Mr. Naresh Patade, as a Whole-time Director For a term of 3 years

The Company is listed entity, all resolutions are required to be passed through E-voting.

#### A. DISCLOSURES:

##### 1. Related Party Transactions:

A policy on materiality of Related Parties and dealings with Related Party Transactions has been formulated by the Board of Directors and has also been uploaded on the website of the Company. The objective of disclosure reporting and transparency of transactions between Company and any of its Related Parties in compliance with the applicable laws and regulations, as may be amended from time to time.

##### 2. Compliances by the Company:

The Company is in compliance with the various requirements of the Stock Exchanges, SEBI and other statutory authorities on all matters relating to the capital market. During the year 2014-2015, no penalties/ strictures were imposed on the Company by the Stock Exchanges or SEBI or any statutory authority on any matter related to the capital market.

##### 3. Companies within the same Group within the meaning of the Monopolies and Restrictive Trade Practices Act 1969.

PARNAMI GOODS CARRIER PRIVATE LIMITED  
SIGNATURE FINANCE PRIVATE LIMITED  
GLP HABITATION PRIVATE LIMITED  
SUMAN VILLAS PRIVATE LIMITED  
M.R. AGROTECH PRIVATE LIMITED  
V S DEVELOPERS PRIVATE LIMITED

## 4. Details of shareholding of the Directors as on 31st March, 2015:

Tribhawan Kumar Parnami	NIL
Anil Khanna	Nil
Amreesh Kumar	Nil
Ishant Malhotra	Nil
Sunita Malhotra	Nil
Naresh Patade	Nil

**A. MEANS OF COMMUNICATION:**

All material information and financial results of the Company is promptly sent to the Bombay Stock Exchange immediately after the same are considered by the Board.

**B. GENERAL SHAREHOLDERS INFORMATION:****Annual General Meeting (AGM)**

The 22<sup>nd</sup> AGM of the Company will be held on:

Day, Date and Time: September 29<sup>th</sup>, 2015 at 11.30 a.m.

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

The next financial year of the Company is April 1, 2015 to March 31, 2016.

The tentative quarterly results will be adopted by the Board of Directors in accordance with the following schedule:

<b>For the Quarter Ending</b>	<b>Time period</b>
June 30, 2015	2nd week of August, 2015
September 30, 2015 (Quarter as well as Half Year)	2nd week of November, 2015
December 31, 2015	2nd week of February, 2015
March 31, 2016	2nd week of May, 2016

**Book closure:**

September 26<sup>th</sup>, 2015 to September 29<sup>th</sup> September, 2015 (both days inclusive)

**Listing on Stock Exchange and the Stock Code allotted:**

The Equity Shares of the Company are listed on the Bombay Stock Exchange Limited.

Bombay Stock Exchange Limited (BSE), Phiroze Jeejee bhoy Towers, Dalal Street, Fort, Mumbai – 400 001

The Stock Codes allotted by Stock Exchange and Depositories are as follows:

<b>Name</b>	<b>Code</b>
Parnami Credits Limited	538646
Demat ISIN Numbers in NSDL and CDSL	INE837C01013

The listing fees for the financial year 2015-16 have been paid to Bombay Stock Exchange Limited.

**Market Price Data (Face Value of Rs.10/-per share)**

Month	Bombay Stock Exchange Limited (Rs.10 Per share)	
	High	Low
April 2014	Nil	Nil
May 2014	Nil	Nil
June 2014	Nil	Nil
July 2014	Nil	Nil
August 2014	Nil	Nil
September 2014	6.50	6.50
October 2014	6.50	6.50
November 2014	6.50	6.50
December 2014	6.50	6.50
January 2015	6.50	6.50
February 2015	6.50	6.50
March 2015	6.50	6.50

**Category-wise shareholding pattern as on March 31, 2015:**

Sr.No	Category of Shareholders	Total Holdings	% of Shareholdings
1	Promoter & Promoter Group	93100	2.78
2	Mutual Funds and UTI	Nil	Nil
3	Banks, Financial Institutions, Insurance Companies and Venture Capital Fund	Nil	Nil
4	FII/Foreign Bodies	Nil	Nil
5	Private Corporate Bodies	150690	4.49
6	Indian Public	3109010	92.72
7	NRIs/OCBs	Nil	Nil
8	Clearing Member	Nil	Nil
9	Hindi Un-divided Family	Nil	Nil
	<b>Total</b>	<b>33,52,800</b>	<b>100.00</b>

**Distribution of Shareholding as on March 31, 2015:**

Category	Shareholders		Face Value of Rs. 10/- Per Share	
	Numbers	% of Shareholders	Amount (in Rs.)	% of Amount
1-500	255	42.57	37010	1.10
501-1000	67	11.19	59850	1.78
1001-2000	66	11.02	127350	3.80
2001-3000	51	8.51	127600	3.81
3001-4000	5	0.83	19300	0.58
4001-5000	31	5.17	148000	4.42
5001-10000	73	12.19	632450	18.86
10001 and Above-	51	8.52	2201240	65.65
Total	599	100.00	3352800	100.00

**Members holding more than 1% of the paid-up share capital as on MARCH 31, 2015 (Other than promoter)**

Sr. No.	Name of the shareholder	No. of shares	% of holding
1	Rakeshchand M. Jain	561000	16.73
2	Jagdish Rameshwar Jani	156000	4.65
3	Headfirst Vinimay Private Limited	150090	4.48
4	Tejas H Shah	120000	3.58
5	Harakhchand K Shah HUF	108200	3.23
6	Suniti Divi Jaipuria	100000	2.98
7	Evergreen Infranirman Advisory Pvt. Ltd.	84100	2.51
8	Neel Shankar Harlalka	42500	1.27
9	Tulsidas Sharma	42500	1.27
10	Sanjay Pahariya	36000	1.07

No shareholder requests / complaints received during the year ended on March 31<sup>st</sup>, 2015.

**Registrar and Share Transfer Agent**

MAS Services Ltd, T-34, 2<sup>nd</sup> Floor, Okhla Industrial Area, Phase – II, New Delhi – 110 020.  
Phone: 011-26387281/82/83, Fax: 011-26387384, Email: info@masserv.com

**Share Transfer System**

Requests for share transfers, rematerialisation and transposition are approved by Stockholder Relationship Committee. The Share Certificate is returned/ issued within the time period as stipulated under The Companies Act, 2013, The Depositories Act, 1996, Listing Agreement and other applicable rules and regulations.

The Company has not issued any GDRs / ADRs / Warrants or any Convertible Instruments.

For and on behalf of the Board of Directors  
Sd/-

T . K. Parnami  
Managing Director  
DIN: 01186423

Place: Gurgaon

Dated: 03rd September, 2015

**Registered Office:**

Parnami Tower 2nd Floor,  
Sco 50-51 Old Judicial Complex Civil Lines,  
Gurgaon,  
Haryana – 122 001