

# MERIT CREDIT CORPORATION LIMITED

(GIN No. - L65910GJ1987PLC009699)

Regd. Office: 3, Ravipushpa Apartment, Opp. Sunset Row House, Gurukul Road, Ahmedabad-380052.  
Phone No. (079) 40027093 E-mail id- [mccl1987@gmail.com](mailto:mccl1987@gmail.com), Website: [www.mccl.in.net](http://www.mccl.in.net)

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28<sup>th</sup> September, 2017

To,

**Head - Listing & Compliance**

**Metropolitan Stock Exchange of India Limited,**

Vibgyor Towers, 4<sup>th</sup> Floor, Plot No C 62,

G - Block, Opp. Trident Hotel,

Bandra Kurla Complex, Bandra (E),

Mumbai - 400 098.

Dear Sir,

Sub. : **Submission of Annual Report for the Financial Year 2016-17.**

Symbol : **MERIT**

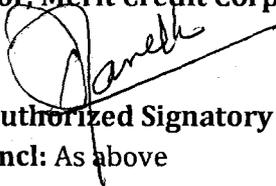
In accordance with the provisions of Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we submit herewith the printed copy of the Annual Report for the financial year 2016-17 duly approved and adopted by the shareholders of the Company at the 30<sup>th</sup> Annual General Meeting (AGM), held on 28<sup>th</sup> September, 2017.

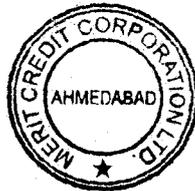
You are requested to kindly take the same on your record and acknowledge the same.

Thanking you.

Yours faithfully,

**For, Merit Credit Corporation Limited**

  
**Authorized Signatory**  
Encl: As above



**30TH  
ANNUAL REPORT  
[F.Y. 2016-2017]**

**MERIT CREDIT CORPORATION LIMITED**

(CIN:L65910GJ1987PLC009699)



## MERIT CREDIT CORPORATION LIMITED

### COMPANY INFORMATION

❖ **BOARD OF DIRECTORS:**

Mrs. Mrudula H. Patel            Chairperson  
Mr. Bhiku I. Patel                Independent Director  
Mr. Hardik G. Trivedi            Independent Director

❖ **CHIEF EXECUTIVE OFFICER:**

Mr. Amar Harsad Patel

❖ **CHIEF FINANCIAL OFFICER:**

Mr. Bipin Harilal Gandhi

❖ **COMPANY SECRETARY:**

Mr. Bhavesh Thakkar

❖ **STATUTORY AUDITORS:**

M/s Parikh & Amin Associates  
Chartered Accountants  
205, 2<sup>nd</sup> Floor, 'B' Wing,  
Abhinav Apts.,  
302, Shradhanand Road,  
Vile Parle (E) Mumbai- 400 057

❖ **SECRETARIAL AUDITOR:**

M/s. Ravi Kapoor & Associates  
Practicing Company Secretaries  
4th floor, Shaival Plaza,  
Gujarat College Road  
Ellisbridge, Ahmedabad-380006

❖ **REGISTERED OFFICE:**

3, Ravipushpa Apartment,  
Opp. Sunset Row House,  
Gurukul Road,  
Ahmedabad – 380 052  
Gujarat

❖ **REGISTRAR AND SHARE TRANSFER AGENTS:**

**Bigshare Services Pvt Ltd.**  
1st Floor, Bharat Tin Works Building,  
Opp. Vasant Oasis Makwana Road  
Marol, Andheri East  
Mumbai 400059 Maharashtra  
Tel: 022 62638200 Fax: 022 62638299  
E-mail: investor@bigshareonline.com

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## MERIT CREDIT CORPORATION LIMITED

### NOTICE

NOTICE is hereby given that the 30<sup>th</sup> Annual General Meeting of the Members of MERIT CREDIT CORPORATION LIMITED will be held on Thursday, 28<sup>th</sup> September, 2017 at 11:00 a.m. at the Registered Office of the Company at 3, Ravipushpa Apartment, Opp. Sunset Row House, Gurukul Road, Ahmedabad-380052 to transact the following businesses:

#### ORDINARY BUSINESS:

- (1) To receive, consider, approve and adopt financial statements of the Company for the year ended March 31, 2017 including the Audited Balance Sheet as at 31st March, 2017 and the Statement of Profit & Loss and Cash flow statement for the year ended on March 31, 2017 and the reports of the Directors' and the Auditors' thereon.
- (2) To appoint a Director in place of Mrs. Mrudulaben H. Patel (DIN: 00226030) who retires by rotation and being eligible offers herself for reappointment.
- (3) To appointment of Auditor and to fix their remuneration and in this regard 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 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), M/s. Talati & Talati, Chartered Accountants, Ahmedabad (Registration No. 110758W) be and is hereby appointed as Statutory Auditors of the Company in place of M/s. Parikh & Amin Associates, Chartered Accountants, Mumbai (Firm Registration No. 107520W), the retiring Auditors of the company, to hold office from the conclusion of the this Annual General Meeting till the conclusion of the 35<sup>th</sup> Annual General Meeting for the financial year 2021-22, (Subject to ratification of appointment at every AGM) at such remuneration as shall be fixed by the Board of Directors of the Company and Auditor."

#### SPECIAL BUSINESS:

- (4) **Empowering the Board to create mortgage/ security upto a limit of Rs.1500.00 Crores (Rupees One Thousand Five Hundred Crores) under section 180(1)(a):**

To consider and if thought fit, to pass, with or without modification, the following resolution as a **SPECIAL RESOLUTION**:

**"RESOLVED THAT** in supersession to the special resolution passed earlier, if any, the consent of the Company be and is hereby accorded in terms of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder, to mortgaging and/ or charging by the Board of Directors of the Company of all the moveable and/or immoveable properties of the Company wheresoever situated, both present and future, and the whole undertaking(s) of the Company (subject to prior charges in favour of the Company's bankers for cash credit and other facilities) together with the power of the mortgagee/s to take over the management of the business and concern of the Company in certain events, in order to secure Rupee Term Loans/ Foreign Currency loans or any other debts taken by the Company for amounts not exceeding aggregate of Rs.1500.00 Crores (Rupees One Thousand Five Hundred Crores) obtained/ to be obtained from the Financial Institutions and/or Banks or issued/to be issued by the Company or to be privately placed with the Financial Institutions and/or Banks and/or Mutual Funds or any other person as the case may be, and interest at the respective agreed rates, compound/ additional interest, in case of default, accumulated interest, liquidated damages, commitment charges, premium on prepayment, costs, charges and expenses, remuneration of the Trustees and all other monies payable in respect of the aforementioned borrowings as may be agreed to by the Board of Directors of the Company;

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to finalise with the Financial Institutions, Banks, Mutual Funds and Trustees for documents for creating the aforesaid mortgages and/or charges and to do all such acts and things as may be required for giving effect to the Resolution;

**RESOLVED FURTHER THAT** the Board may further delegate the power to committee for the above mentioned matter."

- (5) **Empowering the Board to borrow money upto a limit of Rs. 1500.00 Crores (Rupees One Thousand Five Hundred Crores) under section 180(1)(c):**

To consider and if thought fit, to pass, with or without modification, the following resolution as a **SPECIAL RESOLUTION**:

**"RESOLVED THAT** in supersession to the special resolution passed earlier, if any, consent of the Company be and is hereby accorded under the provisions of section 180(1)(c) of the Companies Act, 2013, to the Board of Directors of the Company for borrowing from time to time all such sums of money as it may deem requisite for the purpose of the business of the Company, notwithstanding that the moneys to be borrowed by the Company together with the moneys, if any, already borrowed by the Company (neither of which sums shall include the temporary loans, if any, obtained from the Company's bankers in the ordinary course of business) exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided that the maximum amount of moneys so borrowed by the Board shall not at any time exceed Rs.1500.00 Crores (Rupees One Thousand Five Hundred Crores);

## MERIT CREDIT CORPORATION LIMITED

**RESOLVED FURTHER THAT** the Board be and is hereby empowered and authorise to arrange and fix the terms and conditions of all such moneys to be borrowed, from time to time interest, repayment, security or otherwise howsoever as it may deems fit, as also to execute all such deeds and documents as may be necessary or required for this purpose;

**RESOLVED FURTHER THAT** the Board may further delegate the power to committee for the above mentioned matter.”

**Regd. Office:**

3, Ravipushpa Apartment,  
Opp. Sunset Row House,  
Gurukul Road,  
Ahmedabad-380052 Gujarat

**PLACE : Ahmedabad**

**DATE : 11.08.2017**

**BY ORDER OF BOARD OF DIRECTORS  
FOR MERIT CREDIT CORPORATION LIMITED**

**MRUDULA H. PATEL  
(CHAIRPERSON)  
(DIN: 00226030)**

**NOTES :**

- 1. An Explanatory Statement pursuant to Section 102 (1) of the Companies Act, 2013 (“the Act”) relating to Special Business to be transacted at the Annual General Meeting (“AGM” or “Meeting”) is annexed hereto.**
- 2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE AGM IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL IN THE MEETING INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER.** Pursuant to the provisions of Section 105 of the Act, a person can act as a proxy on behalf of not more than fifty Members and holding in aggregate not more than ten percent of the total Share Capital of the Company. Members holding more than ten percent of the total Share Capital of the Company may appoint a single person as proxy, who shall not act as a proxy for any other Member. The instrument appointing Proxy shall be deposited at the Registered Office of the Company at least FORTY-EIGHT HOURS (48 HRS) before the time for holding the Meeting. Proxy Form for the AGM is enclosed. Proxies submitted on behalf of limited companies, societies, etc., must be supported by an appropriate resolution/authority, as applicable.
- 3. The business set out in the Notice will be transacted through electronic voting system and the Company is providing facility for voting by electronic means. Instructions and other information relating to e-voting are given in this Notice at the end.**
- Members/ proxies are requested to bring their duly filled-in attendance slips enclosed herewith and Client ID & DP ID or Folio No., as may be applicable for the easy identification to attend the Meeting.
- Corporate Members intending to send their authorized representative(s) to attend the Meeting are requested to send to the Company, a certified true copy of the relevant Board Resolution authorizing their representative together with the specimen signature(s) to attend and vote on their behalf at the Meeting.
- In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote at the Meeting.
- The documents referred to in this Notice are open for inspection by any Member at the Registered Office of the Company during the Company’s business hours on any working day up to the date of the Annual General Meeting and will also be available for inspection at the Meeting.
- Details of Directors seeking Appointment/Re- Appointment at the Annual General Meeting (Pursuant to Regulation 36(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and further, the Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India requires certain additional disclosures with respect to appointment of Independent Director, which are annexed to the explanatory statement and forms part of the notice.
- All correspondence relating to change of address, change in the e-mail ID already registered with the Company, transfer/ transmission of shares, issue of duplicate share certificates, bank mandates and all other matters relating to the shareholding in the Company may be made to **BIGSHARE SERVICES PRIVATE LTD.**, the registrar and share transfer agent (“Bigshare”). The Members holding shares in dematerialised form may send such communication to their respective depository participant/s (DPs).
- Members can avail the facility of nomination in respect of shares held by them pursuant to the provisions of section 72 of the Act. Members desiring to avail this facility may send their nomination in the prescribed Form no. SH-13, duly filled in to the Company / RTA / DP. The prescribed form can be obtained from the RTA / DPs.
- The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, 20th September, 2017 to Thursday, 28th September, 2017 (Both days Inclusive) .
- The Members whose names appear on the Company’s Register of Members as on Thursday, 21st September, 2017 (“cut-off date”) will be eligible to attend and vote at the Meeting.
- The Members having any questions on financial statements or on any agenda item proposed in the notice of Annual General Meeting are requested to send their queries at least seven days prior to the date of Annual General Meeting at the registered office address of the Company to enable the Company to collect the relevant information.
- MEMBERS HOLDING SHARES IN PHYSICAL FORMS ARE REQUESTED TO AVAIL DEMATERIALIZATION FACILITY.**
- Pursuant to Sections 101 and 136 of the Act read with relevant Rules framed thereunder, the Annual Report for FY 2016-17 and the Notice of the AGM, inter-alia indicating the process and manner of Remote e-voting alongwith the attendance slip and proxy form are being sent

## MERIT CREDIT CORPORATION LIMITED

by e-mail to those Members who have registered their e-mail ID either with the Company or with the Depository unless the Member has requested for a hard copy of the same. For Members who have not registered their e-mail ID, physical copies of the Annual Report for FY 2016-17 and the Notice of the AGM, inter-alia, indicating the process and manner of Remote e-voting along with the attendance slip and proxy form, will be sent in the permitted mode.

16. Pursuant to the "Green Initiative" taken by the Government, members are requested to register / update their e-mail ids with the Company / Depository Participant / RTA which will be used for the purpose of sending the communications in future.
17. Notice of the AGM and Annual Report of the Company, is made available on the Company's website, <http://www.mccl.in.net> for download.
18. As an austerity measure, copies of the Annual Report will not be distributed at the Annual General Meeting. Members are requested to bring their copy of Annual Report to the Meeting.
19. 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 mode are, therefore, requested to submit their PAN to their DPs with whom they are maintaining their demat accounts. Members holding shares in physical mode can submit their PAN to the Company / Bigshare Services Pvt. Ltd. ("RTA").
20. Shareholders can register their complaints, if any, on an exclusive designated e-mail ID, [mccl\\_1987@yahoo.com](mailto:mccl_1987@yahoo.com).
21. The Company has appointed Mr. Ravi Kapoor, Practicing Company Secretary (Membership No. F 2587) from M/s. Ravi Kapoor & Associates, to act as the scrutinizer for conducting the electronic voting process in a fair and transparent manner.
22. The Scrutinizer's decision on the validity of the vote shall be final.
23. Once the vote on a resolution stated in this notice is cast by shareholder through Remote e-voting, the shareholder shall not be allowed to change it subsequently and such e-vote shall be treated as final. The Members who have cast their vote by Remote e-voting may also attend the Meeting; however, such member shall not be allowed to vote again.
24. The Scrutinizer will submit his report to the Company after completion of the scrutiny and the Results will be declared by the Company on its website, <http://www.mccl.in.net>, within 48 hours of the conclusion of the AGM.
25. In compliance with Section 108 of the Act, read with corresponding rules, and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations'), the Company has provided a facility to its members to exercise their votes electronically through the electronic voting (e-voting) service facilitated by the Central Depository Services India Limited (CDSL). The facility for voting through ballot paper will also be made available at the AGM and members attending the AGM, who have not already cast their votes by remote e-voting shall be able to exercise their right at the AGM through ballot paper. Members who have cast their votes by remote e-voting prior to the AGM may attend the AGM but shall not be entitled to cast their votes again. The instructions for e-voting are annexed to the Notice. Information and instructions including details of User ID and password relating to e-voting are provided in the Notice under Note No. 26.
26. INFORMATION AND INSTRUCTIONS RELATING TO E-VOTING:
  - (i) The voting period begins on **25th September, 2017 at 09.00 A.M. (IST) and ends on 27th September, 2017 at 05.00 P.M. (IST)**. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date **21<sup>st</sup> September, 2017** may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
  - (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
  - (iii) Click on Shareholders.
  - (iv) 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.
  - (v) Next enter the Image Verification as displayed and Click on Login.
  - (vi) 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.
  - (vii) If you are a first time user follow the steps given below:

	<b>For Members holding shares in Demat Form and Physical Form</b>
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN Field.</li> </ul>
Dividend Bank Details <b>OR</b> Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> <li>• If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</li> </ul>

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

## MERIT CREDIT CORPORATION LIMITED

- (ix) Members holding shares in physical form will then directly reach 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.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant Merit Credit Corporation Limited on which you choose to vote.
- (xii) 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.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) 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.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xvii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) **Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Please follow the instructions as prompted by the mobile app while voting on your mobile.**
- (xix) **Note for Non – Individual Shareholders and Custodians**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login 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.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xx) 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).

**Regd. Office:**

3, Ravipushpa Apartment,  
Opp. Sunset Row House,  
Gurukul Road,  
Ahmedabad-380052 Gujarat

**PLACE : Ahmedabad**

**DATE : 11.08.2017**

**BY ORDER OF BOARD OF DIRECTORS  
FOR MERIT CREDIT CORPORATION LIMITED**

**MRUDULA H. PATEL  
(CHAIRPERSON)  
(DIN: 00226030)**

### ANNEXURE TO THE NOTICE EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

**Item No. 4 & 5:**

The Section 180(1)(a)&(c) of the Companies Act, 2013 and the rules made thereon requires special resolution to be passed in respect of borrowings and sale, lease or otherwise disposal of the whole or substantially the whole of the undertaking of the Company or where the Company owns more than one undertaking, of the whole or substantially the whole of any such undertakings.

None of the other Directors or Key Managerial Personnel or their relatives are, in any way, concerned or interested in the passing of this resolution. The Directors recommend the resolution for your approval.

**Regd. Office:**

3, Ravipushpa Apartment,  
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Ahmedabad-380052 Gujarat

**PLACE : Ahmedabad**

**DATE : 11.08.2017**

**BY ORDER OF BOARD OF DIRECTORS  
FOR MERIT CREDIT CORPORATION LIMITED**

**MRUDULA H. PATEL  
(CHAIRPERSON)  
(DIN: 00226030)**

## MERIT CREDIT CORPORATION LIMITED

### ANNEXURE

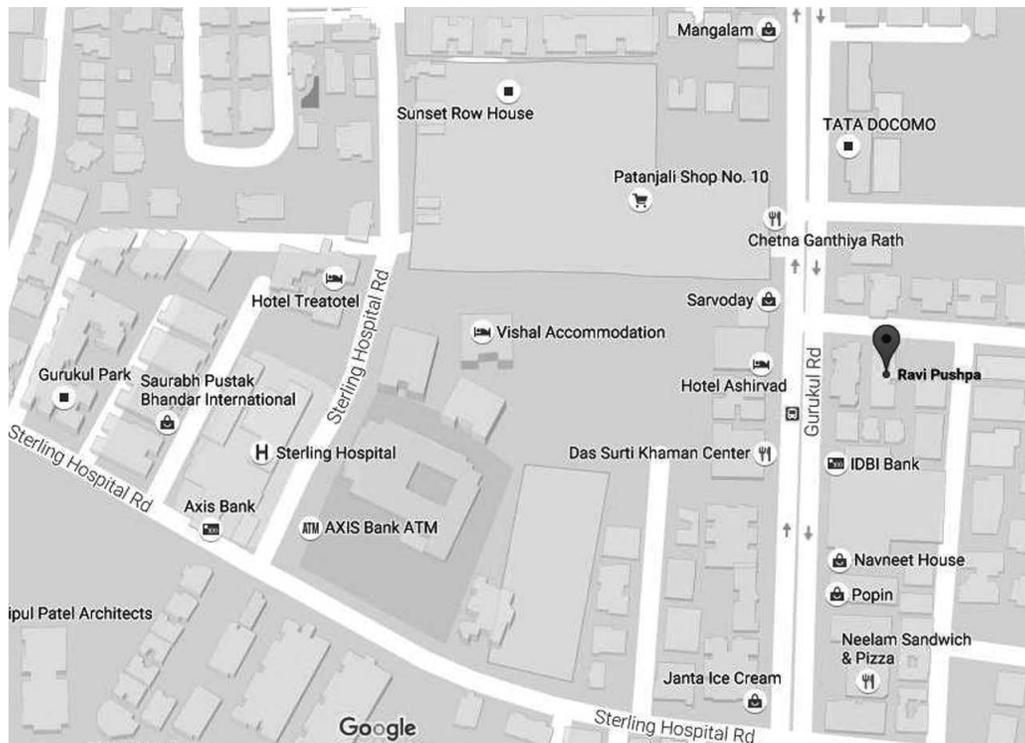
Information about Director Pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the details of the Directors eligible for the appointment and re-appointment are as follows:

<b>Name of the Director</b>	<b>Smt. Mrudulaben H. Patel</b>
Director Identification Number (DIN)	00226030
Father's Name	Shri Bhogilal Patel
Date of Birth	October 5, 1934
Educational Qualifications	Matriculation
Experience/ Expertise	Smt. Mrudulaben H. Patel is associated with the Company since 1999. She possesses long and rich experience in finance business. As far as financial progress and positive growth are concerned, her contribution is worth appreciating as she is well versed with the finance activities and being one of the promoters of the Company, the Company has developed positive business relationships with all the concerns in her directorship.
Date of Appointment as Director	01/03/1999
Relationship with other directors	None
Directorship in listed entities (Other than Merit Credit Corporation Limited)	Nil
Committee membership in listed entities	Member – Audit Committee Merit Credit Corporation Limited Member – Nomination & Remuneration Committee Merit Credit Corporation Limited Member – Investor's Grievance Committee Merit Credit Corporation Limited
Shareholding (No. of equity shares)	2,50,000 Shares

#### Route Map of Venue of the 30<sup>th</sup> AGM:

Nearby: Navneet House

Address: 3, Ravipushpa Apartment, Opp. Sunset Row House, Gurukul Road, Ahmedabad-380052, Gujarat



# MERIT CREDIT CORPORATION LIMITED

(CIN: L65910GJ1987PLC009699)

## DIRECTORS' REPORT

To,  
The Members,  
Merit Credit Corporation Limited,

Your Directors have pleasure in presenting the 30<sup>th</sup> Annual Report together with audited accounts of the Company for the financial year ended on March 31, 2017 (FY 2016-17).

### FINANCIAL RESULT:

The summary of the Company's financial performance, on a standalone basis for F.Y. 2016-17 compared to previous F.Y. 2015-16 is given below:

(₹ in Thousands)

Particulars	Current Financial Year 2016-17	Previous Financial Year 2015-16
Revenue from Operations and Other Income	58,660.695	20,918.416
Profit/(Loss) before Extraordinary Items and Tax	3,002.952	898.752
Less: Current Tax	1,043.642	80.00
Add : MAT Credit of Current Year	-	(17.034)
Add : MAT Credit of Earlier Year	(388.410)	(872.813)
Add: Earlier Years Tax & Deferred Tax	99.825	200.326
Profit / (Loss) after tax	1,670.725	129.231
Balance brought forward from previous year	8,885.132	8,919.651
Profit available for appropriation	10,555.857	9,048.882
<b>APPROPRIATIONS</b>		
Interim Equity Dividend		0
Proposed Final Equity Dividend		0
Tax on Equity Dividends		0
Previous Year Tax on Dividends		0
Transfer to General Reserve		0
Transfer to Statutory Reserve	391.862	163.750
Surplus carried to the next year's account	10,163.995	8885.132

### REVIEW OF BUSINESS OPERATIONS AND FUTURE PROSPECTUS:

During the year under review, the Company recorded total income of ₹ 5,86,60,695/- against ₹ 2,09,18,416/- in the previous year. However, the Company had earned profit after tax of ₹ 16,70,725/- for the year under review as against previous year's profit after tax of ₹ 1,29,231/-. Nevertheless, your Directors are hopeful for better performance in the coming years.

### DIVIDEND:

During the year under review, to conserve the resources of the Company, your Directors do not recommend any Dividend for the year.

### RESERVES:

During the year under review, the Company has Transferred a sum of ₹ 3,91,862/- to Statutory Reserves as required under Section 45-IC of the Reserve Bank of India Act, 1934.

### MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY:

There have been no material changes and commitments, if any affecting the financial position of the Company which have occurred between the ends of the financial year of the Company to which the financial statements relate and the date of the report.

### INTERNAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS:

The Company has adequate systems of internal control procedures which is commensurate with size and nature of its business. The internal control systems of the Company are monitored and evaluated by the internal auditors and their audit report are periodically reviewed by the Audit Committee of the Board of Directors. The observations and comments, if any, of the Audit Committee are also generally placed before the Board.

### SUBSIDIARY, JOINT VENTURES AND ASSOCIATE COMPANIES:

The Company has no Subsidiary/ Joint Venture/ Associate concerns, and hence, no financial positions of such concern(s) are required to be included in the financial statement.

## MERIT CREDIT CORPORATION LIMITED

### DEPOSITS:

The Company has not accepted any deposits within the meaning of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

### SHARE CAPITAL:

The paid-up Equity Share Capital as at March, 31, 2017 stood at ₹ 6,00,00,000/-. During the year under review, the Company has not issued shares with differential voting rights nor has granted any stock options or sweat equity share or bonus issue or nor bought back or provided for buyback of any of its securities

### DIRECTORS AND KEY MANAGERIAL PERSONNEL:

In accordance with the provisions of Section 152(6) and Articles of Association of the Company, Mrs. Mrudula H. Patel (DIN:00226030) will retire by rotation at the ensuing Annual General Meeting of the Company and being eligible, offers herself for re-appointment.

During the year under review, Mr. Amar H. Patel was appointed as the Chief Executive Officer (CEO) of the Company w.e.f. 1<sup>st</sup> August, 2016, Mr. Bipin H. Gandhi was appointed as a Chief Financial Officer (CFO) of the Company w.e.f. 1<sup>st</sup> August, 2016 and Mr. Bhavesh M. Thakkar was appointed as a Company Secretary w.e.f. 1<sup>st</sup> August, 2016.

### DECLARATION FROM INDEPENDENT DIRECTORS:

Pursuant to Section 149(6) of the Companies Act, 2013, Independent Directors of the Company have made a declaration confirming the compliance of the conditions of the independence stipulated in the aforesaid section.

### DIRECTORS' RESPONSIBILITY STATEMENT PURSUANT TO SECTION 134(3)(c) OF THE COMPANIES ACT, 2013:

Pursuant to Section 134(5) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability, state the following that:

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the directors had selected such accounting policies and applied them consistently and 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 at the end of the financial year and of the profit and loss of the company for that period;
- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the directors had prepared the annual accounts on a going concern basis; and
- (e) the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- (f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### BOARD EVALUATION:

In Compliance with the provisions of the Companies Act, 2013, the Board of Directors has carried out an annual evaluation of its own committees and individual directors.

The performance of the Board and individual Directors was evaluated by the Board seeking inputs from all the Directors. The Nomination and remuneration committee reviewed the performance of the individual Directors. The criteria for performance evaluation of the Board included aspects like Board composition and structure, effectiveness of Board processes, information and its functioning.

### EXTRACT OF THE ANNUAL RETURN:

The extract of Annual Return in MGT-9 as required under Section 92(3) of the Companies Act, 2013, and prescribed in Rule 12 of the Companies (Management and Administration) Rule, 2014 is appended as **Annexed** to this Report.

### WHISTLE BLOWER POLICY/ VIGIL MECHANISM:

The Company has formulated a Whistle Blower Policy to establish a vigil mechanism for Directors, Employees and other Stakeholders of the Company to report concerns about illegal and unethical practices, unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct or Ethics Policy which is available at the Company's website at [www.mccl.in.net](http://www.mccl.in.net).

### BOARD MEETINGS:

There were 19 Board Meetings held during the financial year 2016-17 and the details of the date of board meetings are as mentioned below:

Sr. No.	Date						
1	02/04/2016	6	09/07/2016	11	05/09/2016	16	25/01/2017
2	11/04/2016	7	16/07/2016	12	19/09/2016	17	10/02/2017
3	26/04/2016	8	28/07/2016	13	03/10/2016	18	08/03/2017
4	30/05/2016	9	01/08/2016	14	25/10/2016	19	24/03/2017
5	21/06/2016	10	12/08/2016	15	10/11/2016	-	-

During the year two meeting of Independent Directors were held on 12.08.2016 and 15.03.2017.

## MERIT CREDIT CORPORATION LIMITED

### COMMITTEES MEETING:

#### Audit Committee:

The Committee comprises of Mr. Hardik G. Trivedi, Chairman Independent Non-executive Director and other members Mr. Bhikhu I. Patel, Independent Non-executive Director, Mrs. Mrudula H. Patel, Non-executive Director. Dates of the Audit Committee Meetings held during the financial year 2016-17 are as mentioned below:

Sr. No.	Date	Sr. No.	Date
1.	25/04/2016	4.	10/11/2016
2.	30/05/2016	5.	10/02/2017
3.	12/08/2016	-	-

#### Shareholders/ Investors Grievance Committee:

The Committee comprises of Mr. Hardik G. Trivedi, Chairman Independent Non-executive Director and other members Mr. Bhikhu I. Patel, Independent Non-executive Director, Mrs. Mrudula H. Patel, Non-executive Director. Dates of the Shareholders/ Investors Grievance Committee Meetings held during the financial year 2016-17 are as mentioned below:

Sr. No.	Date	Sr. No.	Date
1.	25/04/2016	3.	03/10/2016
2.	09/07/2016	4.	05/01/2017

#### Remuneration Policy & Nomination and Remuneration Committee:

The Company's policy relating to appointment of Directors, positive attributes, Independence of Directors, Remuneration and other related matters as provided in Section 178(3) of the Companies Act, 2013 is attached to this report.

Nomination and Remuneration Committee comprises of Mr. Hardik G. Trivedi, Chairman Independent Non-executive Director and other members Mr. Bhikhu I. Patel, Independent Non-executive Director, Mrs. Mrudula H. Patel, Non-executive director and the meetings were held on 25/04/2016, 30/05/2016 and 01/08/2016 during the financial year 2016-17.

### AUDITORS:

#### Statutory Auditors:

M/s Parikh & Amin Associates, (Firm Registration No. 107520W), Chartered Accountants, who were appointed as Auditors of the Company to hold office till the Conclusion of the 30<sup>th</sup> Annual General Meeting to be held in the year 2017, complete their tenure of 10 years with Company.

In view of the same, the Board at its Meeting held on August 11, 2017, pursuant to the recommendation of the Audit Committee and subject to approval of the shareholders, has appointed M/s. Talati & Talati, Chartered Accountants as Statutory Auditors of the Company for a period of Five years i.e. from the conclusion of the 30<sup>th</sup> AGM till the conclusion of the 35<sup>th</sup> AGM. Your Company has received written consent(s) and certificate(s) of eligibility in accordance with Sections 139, 141 and other applicable provisions of the Act and Rules issued thereunder (including any statutory modification(s) or re-enactment(s) for the time being in force), from M/s. Talati & Talati, Chartered Accountants. Further, they have confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India (ICAI) as required under SEBI (LODR) Regulations.

#### Details in Respect of Fraud, if any, reported by Auditors:

There have been no frauds reported during the Financial Year ended March 31, 2017.

#### Internal Auditor:

The Company has appointed M/s. T.M. Parikh & Co., Chartered Accountants, Mumbai (Firm Registration No. 114580W), as an internal auditor of the Company for the financial year 2016-17.

#### Secretarial Auditor:

Pursuant to the provision of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. Ravi Kapoor & Associates, Company Secretaries (COP No. 2407), Ahmedabad to undertake the Secretarial Audit of the Company for the financial year 2016-17. The Report of the Secretarial Audit for the financial year ended March 31, 2017 is annexed to this Report.

### EXPLANATION OR COMMENTS ON AUDITORS REPORT AND SECRETARIAL AUDITORS REPORT:

#### Statutory Auditor's Report:

The Statutory Auditor's has raised query in his Auditors' Report given a qualified opinion for non provision of gratuity and leave encashment, a note no. 31 of the notes to financial statements contains the Company has not made any provision for gratuity and leave encashment and for it company is planning to acquire best policy in accordance with the statutory requirements for such retirement benefits.

#### Secretarial Audit Report:

The Secretarial Audit Report does not contain any disqualification, reservation or adverse remarks.

## MERIT CREDIT CORPORATION LIMITED

### CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

The details required under the provisions of the section 134(3) (m) of the Companies Act, 2013 regarding conservation of Energy, Technology Absorption are not applicable as the company is not carrying out any manufacturing operation. The details of foreign exchange earnings and outgo are as follows:

#### Foreign exchange earnings and Outgo:

Foreign Exchange Earning : ₹ Nil.

Foreign Exchange Outgo : ₹ Nil.

### PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS BY THE COMPANY:

The company has not given any loans or guarantees covered under the provisions of section 186 of the Companies Act, 2013. The details of the investments made by the Company are given in the notes to the financial statements.

### PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

During the period under review, there are no material transactions between the Company and the related parties as defined under Section 188 of the Companies Act, 2013. Accordingly there are no transactions that are required to be reported in Form AOC-2.

### PARTICULARS OF EMPLOYEES:

The information required under section 197 of the Companies Act, 2013 read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below:

(i) The ratio of the remuneration of each director of the median remuneration of the employees of the company for the financial year.	Name of Director	Designation	Ratio to median remuneration of the Employees
	Mrs. Mrudula H. Patel	Non-Executive Director	Nil
	Mr. Hardik G. Trivedi	Non-Executive Director/ Independent Director	Nil
	Mr. Bhikhu I. Patel	Non-Executive Director/ Independent Director	Nil
No Remuneration was paid by the Company to any Directors of the Company			
(ii) The percentage increase in remuneration of each director, Chief Executive Officer, Chief Financial Officer, Company Secretary in the financial year.	Increase in Remuneration of Directors & KMP is as follows: Directors/CEO - Not Applicable* CFO - Not Applicable** CS - Not Applicable*** * No Remuneration paid by the Company to any Directors and CEO of the Company; ** In the Previous Financial year (i.e. 2015-16) there was no CFO in the Company and Mr. Bipin H. Gandhi appointed as a CFO of the Company on 1 <sup>st</sup> Day of August, 2016. Hence, Comparison of percentage increase is not applicable. *** Previous year (i.e. 2015-16) there is no CS in the Company and Mr. Bhavesh M. Thakkar, appointed as a CS of the Company on 1 <sup>st</sup> Day of August, 2016. Hence, Comparison of percentage increase is not feasible.		
(iii) The percentage increase in the median of employees in the financial year:	Nil		
(iv) The number of permanent employees on the rolls of the Company	5		
(v) average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	The average percentage increase in salaries of employees other than the managerial personnel in the last financial year was Nil The managerial personnel i.e. Mr. Amar H. Patel- CEO, Mr. Bipin H. Gandhi-CFO, and Mr. Bhavesh Thakkar-CS were appointed w.e.f. 1 <sup>st</sup> August, 2016. Hence, comparison of percentile increase in managerial remuneration is not applicable.		
(vi) Affirmation that the remuneration is as per the remuneration policy of the Company.	The remuneration is as per the Remuneration Policy of the Company.		

## MERIT CREDIT CORPORATION LIMITED

Pursuant to the provision of Section 197(12) of the Companies Act, 2013 read with the Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, your Company has no employee who was in receipt of remuneration in excess of limits specified in such rules. The Company has not paid any remuneration to the Directors of the Company.

### **CORPORATE GOVERNANCE:**

As per the provisions of Regulation 15(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Corporate Governance requirements are not applicable to your Company, as the Company has not attained the prescribed limit as mentioned hereunder:

The Regulations 17 to 27 (including both regulations) and clauses (b) to (i) of Sub-regulations (2) of regulation 46 and Para C, D and E of Schedule V, shall not be mandatory in respect of the companies having paid up equity share capital not exceeding ₹ 10 crores and net worth not exceeding ₹ 25 crores as on the last day of the previous financial year.

### **CORPORATE SOCIAL RESPONSIBILITY (CSR):**

The Company has not developed and implemented any Corporate Social Responsibility initiatives as the said provisions are not applicable to the Company.

### **DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE:**

There are no significant and material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and Company's operations in future.

### **CHANGE IN THE NATURE OF BUSINESS, IF ANY:**

During the year under review, the Company has not commenced any new business activity.

### **REGISTRATION AS AN INVESTMENT COMPANY:**

The Company has been registered as a Non Banking Financial Institution –Non-Deposit Taking – Non Systematically Important Investment Company (NBFC-ND-NSI) pursuant to the Certificate of Registration issued by the Reserve Bank of India ("RBI") dated, 20th March, 1998 under Section 45-IA of Reservation Bank of India Act, 1934.

### **MANAGEMENT DISCUSSION & ANALYSIS REPORT:**

Pursuant to Regulation 34 and Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Management Discussion and Analysis Report is as follows:

#### **Industry Structure and Developments:**

The Company is engaged in the business of investment in shares & securities. The Company is registered as Non-deposit taking Non-Banking Finance Company with the Reserve Bank of India. Since the asset size of the company is not more than Rs. 100 crores it is presently Non Systemically Important Non Deposit taking NBFC.

The NBFC segment has witnessed considerable growth in the last few years and is now being recognised as complementary to the investment sector due to implementation of innovative marketing strategies, attractive rates of return on deposits and simplified procedures, etc.

The Non Banking Financial Companies (NBFC) Sector is still struggling for its growth in India. The NBFC Sector is doing much better all over the world as compared to Asian Countries as the general perception about NBFC in the mind of public is still hazy.

#### **Opportunities & Threats:**

Your Company, with its diversified portfolio of investments and trading strategy with available liquid funds was particularly well placed to benefits on improvement in the sentiment in market. The expected growth in the industry, with stable government at Centre, will really provide the opportunity to the Company to invest in selected high profile companies and opportunity in the commodities markets to further improve its performance in the years to come.

On stability of the market conditions, the fund available with the Company will enable it to enter into the market in large scale, on appropriate time. Your Company focuses on making investment/trading in such industry/ products, which provides the company high revenue/gain as well as capital yield with cautious approach.

The volatility in the Indian Capital and Commodities Markets in the financial year under report represents both an opportunity and challenge for the Company.

#### **Segment –wise or product –wise performance:**

The Company is into single reportable segment only.

#### **Outlook:**

From the reports available in public domain, it is believed that the global economic recovery is in its way. It is only hoped that the growth momentum gathers, steam soon and fast.

## MERIT CREDIT CORPORATION LIMITED

### Risks & Areas of Concern:

Company's performance is closely linked to Indian Capital and Commodities Markets and risk associated with market operations. The value of Company's investments may be affected by factors affecting capital and/or commodities markets, such as price, volume, volatility, interest rates, and currency exchange rates, flow of foreign investments, changes in government policies, political, economic and other developments, inflation, crude oil prices and global economic performance.

Company believes that the long-term growth of Indian Economy, with new stable Government in place, being emerging and developing remains intact though there would be several short-term upheavals like high inflation, interest rates in India etc. The Company manages the risk by diversifying its investment portfolio, by maintaining a conservative financial profile, by following prudent business & risk management practices, hedging the risk of investments on the advice of the expertise equity/commodity research team engaged by the company.

Moreover, any slowdown in the economic growth in India could cause the business of the Company to suffer. Recently, the growth of industrial production has been variable. Any slowdown in Indian economy could adversely affect the Company's business. Over the years, your Company has achieved an appropriate balance between risk and returns by setting up an efficient risk mitigation system to meet various forms of financial and other risks. The primary risks that the company is exposed to credit risk, market risk and operational risk. Deriving from the long years of experience in NBFC sector your company's credit policy framework is designed to provide the right balance between business growth and portfolio quality.

### Internal Control Systems and Adequacy:

The Company has an adequate system of internal control, which assures us of maintaining proper accounting records and reliability of financial information. The Company ensures adherence to all internal control policies and procedures as well as compliances with regulatory guidelines.

### Discussion On Financial Performance With Respect To Operational Performance:

The brief on Financial Performance of the Company is already provided in the Boards' Report of the Company.

### Human resource / Industrial relations:

The Company recognizes the importance and contribution of its human resources for its growth and development and is committed to the development of its people. The Company has cordial relations with employees and staff. There are no HR relations problems during the year and the Company does not anticipate any material problems on this count in the current year.

### Cautionary Statement:

The statements in Management Discussion and Analysis Report describing our Company's objectives, expectations or predictions may be forward looking within the meaning of applicable regulations and other legislations. Actual results may differ materially from those expressed in the statement. Important factors that could influence Company's operations include global and domestic financial market conditions affecting the interest rates, availability of resources for the financial sector, market for lending, changes in regulatory directions issued by the Government, tax laws, economic situation and other relevant factors.

### LISTING AT METROPOLITAN STOCK EXCHANGE OF INDIA LIMITED:

The Company has been listed on Metropolitan Stock Exchange Of India Limited w.e.f. October 19, 2016, vide circular no. MSEI/LIST/4603/2016 dated 14<sup>th</sup> October, 2016.

### RISK MANAGEMENT POLICY:

A statement indicating development and implementation of a risk management policy for the Company including identification therein of elements of risk, if any, which is in the opinion of the Board may threaten the existence of the Company. The Board of Directors has duly developed and implemented a risk management policy for the Company.

### ACKNOWLEDGEMENTS:

Your Directors wish to convey their appreciation to all of the Company's employees for their enormous personal efforts as well as their collective contribution to the Company's performance. The Directors would also like to thank the shareholders, bankers, Government and all the other business associates for the continuous support given by them to the Company and their confidence in its management.

### Regd. Office:

3, Ravipushpa Apartment,  
Opp. Sunset Row House,  
Gurukul Road,  
Ahmedabad-380052  
Gujarat  
Place : Ahmedabad  
Date : 11.08.2017

**BY ORDER OF BOARD OF DIRECTORS  
FOR MERIT CREDIT CORPORATION LIMITED**

**MRUDULA H. PATEL**  
(CHAIRPERSON)  
DIN: 00226030

## **MERIT CREDIT CORPORATION LIMITED**

### **NOMINATION AND REMUNERATION POLICY**

#### **1. DEFINITIONS:**

- a) "Company" means Merit Credit Corporation Limited (hereinafter referred to as "MCCL").
- b) "Act" means the Companies Act, 2013.
- c) "Board" means Board of directors of the Company.
- d) "Nomination and Remuneration Committee" means a committee formulate under Section 178 of the Companies Act, 2013 and the rules made thereunder and clause 49 of the listing agreement, hereinafter referred to as "NRC".
- e) "Human Resource Officer" means the person appointed for such designation, hereinafter referred to as "HRO" and if not appointed then Chairman of the Nomination and Remuneration Committee can perform such roles on behalf of the Company.
- f) "Director" means the Directors of the Company.
- g) "Key Managerial Personnel" means persons as referred in section 2(51) of the Act, hereinafter referred to as "KMP".
- h) "Independent Director" means a director referred to in Section 149(6) of the Act and clause 49 of the Listing Agreement.
- i) "Remuneration" means any money or its equivalent given or passed to any person for service's rendered by him and includes perquisites as defined under the Income Tax Act, 1961.
- j) "Senior Management Personnel" mean personnel of the Company who are members of its core management team excluding the Board of Directors comprising all members of management one level below the executive directors, including the functional heads.
- k) "Policy or the Policy" means the Policy on Nomination, Removal, Remuneration, Evaluation and criteria for determining qualification positive attributes and Independence of directors.

#### **2. OBJECTIVES:**

The objective of this Policy is to guide the Board of Directors of the Company on:

- a) Identify persons, who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommended to the board their appointment and removal and shall carry out evaluation of every director's performance.
- b) Remuneration payable to the Directors and/or KMP and/or employees in Senior Management Personnel;
- c) Criteria for determining qualification, positive attributes and independence of Directors.

#### **3. POLICY:**

- a) Appointment and removal of Directors and/or KMP and/or Senior Management Personnel:
  - i) The NRC shall have the responsibility and authority to decide the essential and desirable skills/ competence/ expertise/ experience/ criteria of independence required from the individuals for the office of Directors and/or KMP and/or Senior Management Personnel.
  - ii) The expertise required from the Directors and/or KMP and/or Senior Management Personnel would be defined on the Company's strategy and needs.
  - iii) The NRC shall review the criteria for the role and define the role specification for the appointment.
  - iv) A director shall be a person of integrity, who possesses relevant expertise and experience and who shall uphold ethical standards of integrity and probity. Director shall act objectively and constructively and exercise his/ her responsibilities in a bona-fide manner in the interest of the Company.
  - v) The Nomination and Remuneration Committee shall have discretion to consider and fix any other criteria or norms.
- b) Identification for Appointment of Directors and/or KMP and/or Senior Management Personnel:
  - i) The NRC may assign the responsibility of identifying the candidate for the final communication by the NRC to the following:
    - To HRO/ Chairman of NRC, for the selection of the Directors/ Managing Director/ Whole time Director/ KMP/ Senior Management Personnel.
  - ii) The above mentioned designated person shall identify member(s) of the Board who will communicate with candidate and recommend to the NRC.
  - iii) Upon selection of the candidate, the NRC shall make a final recommendation to the Board for appointment of Directors and/or KMP and/or Senior Management Personnel.
  - iv) The appointment of Directors and/or KMP shall subject to the compliance of the Act, Clause 49 of the listing agreement and Articles of Association of the Company.

## MERIT CREDIT CORPORATION LIMITED

**c) Terms of Appointment:**

The terms of the appointment of Directors and/or KMP and/or Senior Management Personnel shall be governed by the provisions of the Act and Clause 49 of the Listing Agreement.

**d) Appointment of Independent Directors:**

- i)** The appointment of Independent Directors shall be formalized through a letter of appointment to be issued by the Company in accordance with the applicable laws.
- ii)** The candidate shall be evaluated based in the criteria provided under the applicable laws including the Companies Act, 2013 read with rules made thereunder and the listing agreement with the stock exchange. In addition to applying these guidelines, the Board will consider all relevant facts and circumstances in making its determination relative to a Director's independence. The director's independence for the independent director will be determined by the Board on an annual basis upon the declaration made by such director as per the provisions of the Companies Act, 2013.
- iii)** The Nomination and Remuneration Committee shall have discretion to consider and fix any other criteria or norms for selection of the most suitable candidate.

**e) Removal of Directors and/or KMP and/or Senior Management Personnel:**

The removal of Directors and/or KMP and/or Senior Management Personnel may be warranted due to reasons such disqualification prescribed under the applicable laws.

**f) Retirement of Directors and/or KMP and/or Senior Management Personnel:**

The retirement age of the Directors or KMP or Senior Management shall be as per the provisions of the applicable laws.

**g) Remuneration of Directors and/or KMP and/or Senior Management Personnel:**

- Remuneration to Executive Director(s):
  - i)** The remuneration payable to Executive Director(s) shall be determined by the NRC and recommend to the Board for approval. Such remuneration (including revision thereof) shall be subject to the approval of the shareholders of the Company and/or Central Government, wherever required under the Act, Clause 49 and the Article of Association of the Company.
  - ii)** The remuneration shall be in accordance with and subject to the ceiling limits and other conditions prescribed under the Act, Clause 49 and the Article of Association of the Company.
- Remuneration to Non-executive Director(s):
  - i)** The remuneration (including revisions thereof) payable to the Non-executive Director(s) shall be in accordance with and subject to the ceiling limits and other conditions prescribed under the Act, Clause 49 and the Article of Association of the Company.
  - ii)** The NRC shall determine the remuneration to Non-executive director(s) including the mode, quantum, recipients of the remuneration and the frequency of payment of such remuneration, and recommend the same to the Board for approval.
  - iii)** The remuneration of Non-executive director(s) may comprise commission, sitting fees for attending the meeting the Board and its committees.
  - iv)** The remuneration of Non-executive director(s) (including revision thereof) shall be based on certain financial parameters like the performance of the Company, its market capitalization, etc. role of the Director and such other relevant factors.
- Remuneration to KMP and/or Senior Management Personnel:
  - i)** For appointment to the office of KMP and/or Senior Management Personnel, the NRC shall approve the remuneration and recommend the same to the Board for its approval.
  - ii)** Remuneration paid to the KMP and/or Senior Management Personnel shall be subject to the provisions of the applicable laws.

**h) Board Evaluation:**

The Board is committed to assessing its own performance as a Board in order to identify its strength and the areas in which it may improve its functioning. Towards this end, the NRC shall establish the criteria and processes for evaluation of performance of individual directors, chairman of the Board, the Board as a whole and the committees of the Board and recommend the same to the Board.

**4. REVIEW:**

The NRC will review the Policy from time to time keeping in view the statutory requirement and need of the organization and recommend the same to the Board for their approval.

# MERIT CREDIT CORPORATION LIMITED

ANNEXURE  
Form No. MGT-9

## EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31/03/2017

Of

MERIT CREDIT CORPORATION LIMITED

(CIN: L65910GJ1987PLC009699)

[Pursuant to Section 92(3) of the Companies Act, 2013 & Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

### 1. REGISTRATION AND OTHER DETAILS:

i)	<b>CIN</b>	L65910GJ1987PLC009699		
ii)	<b>Registration Date</b>	03/06/1987		
iii)	<b>Name of the Company</b>	MERIT CREDIT CORPORATION LIMITED		
iv)	<b>Category of the Company</b>	Public Company <input checked="" type="checkbox"/> Private Company <input type="checkbox"/>		
v)	<b>Sub Category of the Company</b> [Please tick whichever are applicable]	1.	Government Company	<input type="checkbox"/>
		2.	Small Company	<input type="checkbox"/>
		3.	One Person Company	<input type="checkbox"/>
		4.	Subsidiary of Foreign Company	<input type="checkbox"/>
		5.	NBFC (Non Deposit Taking Company)	<input checked="" type="checkbox"/>
		6.	Guarantee Company	<input type="checkbox"/>
		7.	Limited by shares	<input checked="" type="checkbox"/>
		8.	Unlimited Company	<input type="checkbox"/>
		9.	Company having share capital	<input checked="" type="checkbox"/>
		10.	Company not having share capital	<input type="checkbox"/>
		11.	Company Registered under Sec. 8	<input type="checkbox"/>
vi)	<b>Address of the Registered office</b>	3, Ravipushpa Apartment, Opp. Sunset Row House, Gurukul Road, Ahmedabad, Gujarat, 380052		
vii)	<b>Telephone (With STD Area Code no)</b>	(079) 6450 0556		
viii)	<b>Email Address</b>	mcc1_1987@yahoo.com		
ix)	<b>Website</b>	www.mccl.in.net		
x)	<b>Whether listed company</b>	Yes (Listed at MSEI w.e.f. 19 <sup>th</sup> October, 2016)		
xi)	<b>Name, Address and Contact details of the Registrar and Transfer Agent</b>	<b>Bigshare Services Pvt Ltd.</b> 1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis Makwana Road Marol, Andheri East, Mumbai 400059 Maharashtra. Tel No: + 91-22-4043 0200 Fax No: +91-22-2847 5207 Toll Free no.: 1800-345-4001 E-mail: bssahd@bigshareonline.com Website: www.bigshareonline.com		

### 2. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

Sr. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the Company
1.	Financing & Investments	65993	100%

### 3. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

(No. of Companies for which information is being filled)

Sr. No.	Name and Address of the Company	CIN/ GLN	Holding/ Subsidiary / Associate	% of shares held	Applicable section
N.A.					

## MERIT CREDIT CORPORATION LIMITED

### 4. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAK UP AS PERCENTAGE OF TOTAL EQUITY):

#### i) Category-wise Share Holding:

Category of Shareholders	No. of Shares held at the beginning of the year [As on 01-April-2016]				No. of Shares held at the end of the year [As on 31-March-2017]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. PROMOTERS</b>									
<b>(1) Indian</b>									
a) Individual/ HUF	490500	-	490500	8.175	490500	0	490500	8.175	0.00
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	1877100	0	1877100	31.285	1877100	0	1877100	31.285	0.00
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub-total (A) (1):-	2367600	0	2367600	39.46	2367600	0	2367600	39.46	0.00
<b>(2) Foreign</b>									
(a) NRIs- Individuals	-	-	-	-	-	-	-	-	-
(b) Other- Individuals	-	-	-	-	-	-	-	-	-
(c) Bodies Corp.	-	-	-	-	-	-	-	-	-
(d)Banks FI	-	-	-	-	-	-	-	-	-
(e) Any Other....	-	-	-	-	-	-	-	-	-
Sub-total (A) (2):-	0	0	0	0.00	0	0	0	0.00	0.00
<b>Total Shareholding of Promoter (A)= (A)(1)+(A)(2)</b>	<b>2367600</b>	<b>0</b>	<b>2367600</b>	<b>39.46</b>	<b>2367600</b>	<b>0</b>	<b>2367600</b>	<b>39.46</b>	<b>0.00</b>
<b>B. PUBLIC SHAREHOLDING</b>									
<b>1. Institutions</b>									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt. (s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)(Trusts)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	0	0	0	0.00	0	0	0	0.00	0.00
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	3296825	290900	3587725	59.80	3288625	290900	3579525	59.66	(0.14)
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	1675	10000	11675	0.19	9875	10000	19875	0.33	0.14
ii) Individual shareholders holding nominal share capital in excess of ₹1 lakh	0	33000	33000	0.55	0	33000	33000	0.55	0.00
c)Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	3298500	333900	3632400	60.54	3298500	333900	3632400	60.54	0.00
<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	<b>3298500</b>	<b>333900</b>	<b>3632400</b>	<b>60.54</b>	<b>3298500</b>	<b>333900</b>	<b>3632400</b>	<b>60.54</b>	<b>0.00</b>
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0.00	0	0	0	0.00	0.00
<b>Grand Total (A+B+C)</b>	<b>5666100</b>	<b>333900</b>	<b>6000000</b>	<b>100.00</b>	<b>5666100</b>	<b>333900</b>	<b>6000000</b>	<b>100.00</b>	<b>0.00</b>

## MERIT CREDIT CORPORATION LIMITED

### ii) Shareholding of Promoter:

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year [01/04/2016]			Share holding at the end of the year [31/03/2017]			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1.	Unilon Private Ltd.	255100	4.25	0.00	255100	4.25	0.00	0.00
2.	Premium Polycot Private Limited	257000	4.28	0.00	257000	4.28	0.00	0.00
3.	Rare Leasing and Investments Pvt. Ltd	259000	4.32	0.00	259000	4.32	0.00	0.00
4.	Merit Finance & Leasing Pvt. Ltd.	852700	14.21	0.00	852700	14.21	0.00	0.00
5.	Sungrace Finance Pvt. Ltd.	253300	4.22	0.00	253300	4.22	0.00	0.00
6.	Smt. Mrudulaben H. Patel	250000	4.17	0.00	250000	4.17	0.00	0.00
7.	Smt. Viraj A. Patel	240500	4.01	0.00	240500	4.01	0.00	0.00

### iii) Change in Promoters' Shareholding (please specify, if there is no change):

**Note:** During the year there is no change in Promoters' Shareholding.

Sr. No.	Name of Promoters	Shareholding at the beginning of the year [01/04/2016]		Cumulative Shareholding during the year	
		No. of Shares	% of Total Shares of the Company	No. of shares	% of total shares of the Company
	At the beginning of the year				
	Date wise Increase / Decrease in Promoters Share holding during the year:	During the year there is no change in Promoter Shareholding			
	At the End of the year				

### iv) Shareholding Pattern of top ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No.	Name of Shareholders	Shareholding at the beginning of the year [01/04/2016]		Cumulative Shareholding during the year	
		No. of shares	% of Total Shares of the Company	No. of shares	% of total shares of the Company
1.	Dreamstone Construction Private Limited				
	At the beginning of the year 01/04/2016	1025100	17.09	1025100	17.09
	Date-wise increase/(decrease): Sale From April 01, 2016 to March 31, 2017	(8200)	(0.14)	1016900	16.95
	At the end of the year 31/03/2017	1016900	16.95	1016900	16.95
2.	Sterling Strands Private Limited				
	At the beginning of the year 01/04/2016	998000	16.63	998000	16.63
	Date-wise increase/(decrease)	0	0	998000	16.63
	At the end of the year 31/03/2017	998000	16.63	998000	16.63
3.	Aadhar Venture India Limited				
	At the beginning of the year 01/04/2016	200000	3.33	200000	3.33
	Date-wise increase/(decrease)	0	0	200000	3.33
	At the end of the year 31/03/2017	200000	3.33	200000	3.33
4.	Sanguine Media Limited				
	At the beginning of the year 01/04/2016	200000	3.33	200000	3.33
	Date-wise increase/(decrease)	0	0	200000	3.33
	At the end of the year 31/03/2017	200000	3.33	200000	3.33

**MERIT CREDIT CORPORATION LIMITED**

Sr. No.	Name of Shareholders	Shareholding at the beginning of the year [01/04/2016]		Cumulative Shareholding during the year	
		No. of shares	% of Total Shares of the Company	No. of shares	% of total shares of the Company
5.	Secunderabad Healthcare Limited				
	At the beginning of the year 01/04/2016	200000	3.33	200000	3.33
	Date-wise increase/(decrease)	0	0	200000	3.33
	At the end of the year 31/03/2017	200000	3.33	200000	3.33
6.	Yantra Natural Resources Limited				
	At the beginning of the year 01/04/2016	200000	3.33	200000	3.33
	Date-wise increase/(decrease)	0	0	200000	3.33
	At the end of the year 31/03/2017	200000	3.33	200000	3.33
7.	Priti Processors Private Limited				
	At the beginning of the year 01/04/2016	150000	2.50	150000	2.50
	Date-wise increase/(decrease): Sale From April 01, 2016 to March 31, 2017	(150000)	(2.50)	0	0
	At the end of the year 31/03/2017	0	0	0	0
8.	Dindayal Processors Private Limited				
	At the beginning of the year 01/04/2016	150000	2.50	150000	2.50
	Date-wise increase/(decrease)	0	0	150000	2.50
	At the end of the year 31/03/2017	150000	2.50	150000	2.50
9.	Vishal Fabrics Private Limited				
	At the beginning of the year 01/04/2016	145000	2.42	145000	2.42
	Date-wise increase/(decrease)	0	0	145000	2.42
	At the end of the year 31/03/2017	145000	2.42	145000	2.42
10.	Bhavna Textiles Private Limited				
	At the beginning of the year 01/04/2016	135900	2.27	135900	2.27
	Date-wise increase/(decrease)	0	0	135900	2.27
	At the end of the year 31/03/2017	135900	2.27	135900	2.27
11.	Chiripal Industries Limited				
	At the beginning of the year 01/04/2016	0	0	0	0
	Date-wise increase/(decrease): Purchase From April 01, 2016 to March 31, 2017	150000	2.50	150000	2.50
	At the end of the year 31/03/2017	150000	2.50	150000	2.50

**v) Shareholding of Directors and Key Managerial Personnel:**

Sr. No.	Name of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year [01/04/2016]		Cumulative Shareholding during the year	
		No. of shares	% of Total Shares of the Company	No of shares	% of total shares of the Company
1.	<b>Mrudula H. Patel – Director</b>				
	At the beginning of the year	250000	4.17	250000	4.17
	Date wise Increase / Decrease in Share holding during the year:	0	0	250000	4.17
	At the End of the year	250000	4.17	250000	4.17
2.	<b>Hardik G. Trivedi – Director</b>				
	At the beginning of the year	0	0	0	0
	Date wise Increase / Decrease in Share holding during the year:	Nil			
	At the End of the year	0	0	0	0

## MERIT CREDIT CORPORATION LIMITED

Sr. No.	Name of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year [01/04/2016]		Cumulative Shareholding during the year	
		No. of shares	% of Total Shares of the Company	No of shares	% of total shares of the Company
3.	<b>Bhikhi I. Patel – Director</b>				
	At the beginning of the year	0	0	0	0
	Date wise Increase / Decrease in Share holding during the year:	Nil			
	At the End of the year	0	0	0	0
4.	<b>Amar H. Patel – CEO</b>				
	At the beginning of the year	0	0	0	0
	Date wise Increase / Decrease in Share holding during the year:	Nil			
	At the End of the year	0	0	0	0
5.	<b>Bipin H. Gandhi - CFO</b>				
	At the beginning of the year	0	0	0	0
	Date wise Increase / Decrease in Share holding during the year:	Nil			
	At the End of the year	0	0	0	0
6.	<b>Bhavesh M. Thakkar - CS</b>				
	At the beginning of the year	0	0	0	0
	Date wise Increase / Decrease in Share holding during the year:	Nil			
	At the End of the year				

### 5. INDEBTEDNESS:

(Indebtedness of the Company including interest outstanding/accrued but not due for payment)

(Amount in Lakhs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	0	819.54	0	819.54
ii) Interest due but not paid	-	-	-	0
iii) Interest accrued but not due	0	0	0	0
<b>Total (i+ii+iii)</b>	<b>0</b>	<b>819.54</b>	<b>0</b>	<b>819.54</b>
<b>Change in Indebtedness during the financial year</b>				
Addition	0.017	1188.22	-	1188.24
Reduction	0	0	0	0
<b>Net Change</b>	<b>0.017</b>	<b>1188.22</b>	<b>-</b>	<b>1188.24</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	0.017	2007.76	0	2007.78
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
<b>Total (i+ii+iii)</b>	<b>0.017</b>	<b>2007.76</b>	<b>0</b>	<b>2007.78</b>

## MERIT CREDIT CORPORATION LIMITED

### 6. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

#### A. Remuneration to Managing Director, Whole-time Directors and/or Manager: N.A.

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission - as % of profit - others, specify...	-	-	-
5	Others, please specify	-	-	-
	<b>Total</b>	0	0	0
	Ceiling as per the Act	-	-	-

#### B. Remuneration to other directors

SN	Particulars of Remuneration	Name of Independent/ Non-Executive Director			
1	Independent Directors				
	Fee for attending board meetings	-	-	-	-
	Fee for attending committee meetings	-	-	-	-
	Commission	-	-	-	-
	Others, please specify (Remuneration)	-	-	-	-
	Total (1)	0	0	0	0
2	Other Non-Executive Directors				
	Fee for attending board meetings	-	-	-	-
	Fee for attending committee meetings	-	-	-	-
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (2)	0	0	0	0
	<b>Total (B)=(1+2)</b>	0	0	0	0
	Total Managerial Remuneration	0	0	0	0
	Overall Ceiling as per the Act	-	-	-	-

## MERIT CREDIT CORPORATION LIMITED

**C. Remuneration to Key Managerial Personnel Other Than MD/Manager/WTD:** (Amount in Lakhs)

SN	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO	Total
1	Gross salary	0	1.43	2.80	4.23
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- As % of profit	-	-	-	-
	others, specify...	-	-	-	-
5	Others, please specify	-	-	-	-
	Total	0	1.43	2.80	4.23

**7. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>B. DIRECTORS</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

FOR MERIT CREDIT CORPORATION LIMITED

Place : Ahmedabad  
Date : 11.08.2017

MRUDULA H. PATEL  
(CHAIRPERSON)  
DIN: 00226030

# MERIT CREDIT CORPORATION LIMITED

## Form No. MR-3

### SECRETARIAL AUDIT REPORT

#### FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> March, 2017

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members,  
**Merit Credit Corporation Limited**

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Merit Credit Corporation Limited (herein after referred to as "Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on my verification of the Merit Credit Corporation Limited books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2017 generally complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Merit Credit Corporation Limited ("the Company") for the financial year ended on 31<sup>st</sup> March, 2017 verified the provisions of the following acts and regulations and also their applicability as far as the Company is concerned during the period under audit:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992, ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 ;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (f) The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with clients;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- (vi) Provisions of Reserve Bank of India Act, 1934 are specifically applicable to the Company.

We have also examined compliance with applicable clauses of the following

1. Secretarial Standards issued by the Institute of Company Secretaries of India.
2. Provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

#### **We further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors , Non-Executive Directors and Independent Directors. During the period under review, no changes took place in the composition of the Board of Directors and existing composition of the Board of Directors is in compliance with the provisions of the Act.

## MERIT CREDIT CORPORATION LIMITED

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

All decisions at Board Meetings and Committee Meetings were carried out unanimously. As per records available in the said minutes there were no dissenting views expressed by any directors during the meetings.

**We further report that** there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable Laws, Rules, Regulations and Guidelines.

**We further report that** during the audit period the company there are no specific events / actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above.

**For, Ravi Kapoor & Associates**

**Ravi Kapoor**  
**Company Secretary in Practice**  
**FCS No. 2587**  
**C P No.: 2407**

**Place : Ahmedabad**

**Date : 11/08/2017**

This report is to be read with our letter of even date which is annexed as Annexure-A and forms an integral part of this report.

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### Annexure-A

To,  
The Members,  
Merit Credit Corporation Limited

Our report of even date is to be read along with this letter.

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

**For, Ravi Kapoor & Associates**

**Ravi Kapoor**  
**Company Secretary in Practice**  
**FCS No. 2587**  
**C P No.: 2407**

**Place : Ahmedabad**

**Date : 11/08/2017**

## MERIT CREDIT CORPORATION LIMITED

### INDEPENDENT AUDITORS' REPORT

To,  
The Members of  
**Merit Credit Corporation Limited.**

#### **Report on the Financial Statements**

We have audited the accompanying financial statements of MERIT CREDIT CORPORATION LIMITED. ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss, Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### **Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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 risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statement that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An Audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, 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 on the financial statements.

#### **Opinion**

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 March 31, 2017;
- b) In the case of the Statement of Profit and Loss, of the Profit for the year ended on that date; and
- c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

#### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ('the Order'), as amended, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that :
  - a) We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;

## MERIT CREDIT CORPORATION LIMITED

- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rules 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of written representations received from the directors as on 31<sup>st</sup> March 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March 2017, from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- g) With respect to the other matters to be included in Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us :
  - 1) The Company has disclosed the impact of pending litigations on its financial positions in under Note No. 26 to financial statements as at 31<sup>st</sup> March, 2017.
  - 2) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - 3) There has been no delay in transferring amounts, required to be transferred, to the investor's Education and Protection Fund by the Company.
  - 4) The Company has provided disclosures in its financial statements as to holdings as well as dealings in specified bank notes during the period from 8<sup>th</sup> November, 2016 to 30<sup>th</sup> December, 2016 and the same are in accordance with books of accounts maintained by the Company. Refer note no. 40 in the Notes to Financial Statements.

FOR PARIKH AND AMIN ASSOCIATES  
CHARTERED ACCOUNTANTS  
Firm Registration No. 107520W

K.R. PARIKH  
(PARTNER)

Membership No.036517

Place : Ahmedabad  
Date : 24<sup>th</sup> May, 2017

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### "ANNEXURE A" TO THE INDEPENDENT AUDITORS' REPORT

Referred to in Paragraph 1 under the heading "Report on Other Legal and Regulatory Requirement" of our report of even date to the financial statements of the Company for the year ended March 31<sup>st</sup> 2017:

- 1. In respect of its Fixed Assets :
  - a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;
  - b) As per the information and explanations given to us, these fixed assets have been physically verified by the management at reasonable intervals in accordance with regular programme of verification. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
  - c) Based on our audit procedures and on the basis of information and explanations given to us by the management, no immovable properties are held in the name of the Company.
- 2. In respect of its Inventories :

According to information and explanation given to us, Physical verification of inventory has been conducted at reasonable intervals by management and no material discrepancies were noticed on physical verification during the year.
- 3. According to the information and explanations given to us, during the year the Company has not given any loans, secured or unsecured, to the companies, firms, and limited liability partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Hence Clause (III) (a), (b) and (c) are not applicable to the Company.
- 4. Based on our audit procedures and on the basis of information and explanations given to us by the management, provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees and security have been complied with.
- 5. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposit and hence the

## MERIT CREDIT CORPORATION LIMITED

provisions of Section 73 to 76 or any other relevant provisions of the Companies Act and the Companies (Acceptance of Deposits) Rules, 2014, with regard to the deposits accepted are not applicable to the Company. Therefore, the provisions of clause (v) of paragraph 3 of the Order are not applicable to the company. According to the information and explanations given to us, no order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal

6. According to the information and explanations given to us, the Central Government has not prescribed maintenance of cost records under sub-section (1) of the section 148 of the Companies Act, 2013. Hence, the provisions of this clause is not applicable to the company.
7. According to the information and explanations given to us, in respect of statutory dues:
  - a) According to the information and explanations given to us, in our opinion, the Company is generally regular in depositing undisputed statutory dues with appropriate authorities including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, VAT, Wealth Tax, Service Tax, Custom Duty, Cess and other material statutory dues applicable to it. According to the information and explanations given to us, there are no arrears of outstanding statutory dues as at the last day of the financial year for a period exceeding six months from the date they became payable.
  - b) According to the information and explanation given to us, no undisputed amounts payable in respect of Income Tax, Wealth Tax, Service Tax, VAT, Customs Duty, Excise Duty and Cess were in arrears, as at 31<sup>st</sup> March, 2017 for a period of more than six months from the date they became payable.

However, according to information and explanation given to us, Demand raised by Deputy Commissioner of Income Tax in respect of disclosing the prior year's A.Y. 2011-12 ₹125.54 Lacs and A.Y. 2013-14 ₹660.98 Lacs. Out of which company and already paid and deposited ₹123 Lacs. Further the Company has preferred an appeal with commissioner of income Tax (Appeal). Considering the matter, the company is strong belief that there would be no liability against the aforesaid assessment years/ orders.

8. Based on our audit procedures and according to the information and explanations given by management, we are of the opinion that the Company has not defaulted in repayment of loans or borrowings to a financial institution, bank, Government or dues to debenture holders.
9. The Company has not raised any moneys by way of initial public offer or further public offer (including debts instruments) and term loans during the year.
10. During the course of our examination of books and record of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us by the management, no material fraud on or by the Company or its officers or employees and causing material misstatement to financial statement has been noticed or reported during the course of our audit.
11. The managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V of the Companies Act, 2013.
12. The Company is not a Nidhi Company, therefore; the provisions of clause (xii) of paragraph 3 of the Order are not applicable to the Company.
13. According to the information and explanations given to us, all transactions with the related parties are in compliance with sections 177 and 188 of the Companies Act, 2013 wherever applicable and the details have been disclosed in the financial statements etc., as required by the applicable accounting standards.
14. According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
15. According to the information and explanations given to us, the Company has not entered into any Non-cash transactions with Directors or persons connected with him and the provisions of section 192 of Companies Act, 2013 have been complied with.
16. The Company is registered as Non-banking financial institution (NBFI) and is holding a Certificate of Registration (COR) form Reserve Bank Of India to carry on business of NBFI in terms of Section 45-IA of the RBI Act, 1934.

FOR PARIKH AND AMIN ASSOCIATES  
CHARTERED ACCOUNTANTS  
Firm Registration No. 107520W

K.R. PARIKH  
(PARTNER)

Membership No.036517

Place : Ahmedabad  
Date : 24<sup>th</sup> May, 2017

## MERIT CREDIT CORPORATION LIMITED

### Annexure B to the Independent Auditor's Report of even date on financial statements of MERIT CREDIT CORPORATION LIMITED.

#### Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act').

We have audited the internal financial controls over financial reporting of Merit Credit Corporation Limited ('the Company') as of 31<sup>st</sup> March 2017 in conjunction with our audit of financial statements of the company for the year ended on that date.

#### Management's Responsibility for the Internal Financial Controls

1. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI').
2. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Company's Act, 2013.

#### Auditor's Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Notes on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI.
4. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
5. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error,
6. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

#### Meaning of Internal Financial Controls over Financial Reporting

7. A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

#### Inherent Limitations of Internal Financial Controls over Financial Reporting

8. Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatement due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### Opinion

9. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

FOR PARIKH AND AMIN ASSOCIATES  
CHARTERED ACCOUNTANTS  
Firm Registration No. 107520W

K.R. PARIKH  
(PARTNER)

Membership No.036517

Place : Ahmedabad  
Date : 24<sup>th</sup> May, 2017

**MERIT CREDIT CORPORATION LIMITED**  
**BALANCE SHEET AS ON 31ST MARCH, 2017**

(IN RUPEES)

S.N	PARTICULARS	NOTE NO.	As at 31.03.2017	As at 31.03.2016
<b>EQUITY AND LIABILITIES</b>				
<b>1</b>	<b>Shareholders Fund</b>			
	(a) Share Capital	2	60,000,000	60,000,000
	(b) Reserves And Surplus	3	90,044,917	88,374,191
<b>2</b>	<b>Non Current Liabilities</b>			
	(a) Deferred tax liabilities(net)	4	882	100,707
	(b) Long-Term Provisions	5	534,534	443,858
<b>3</b>	<b>Current Liabilities</b>			
	(a) Short-Term Borrowing	6	200,777,984	81,954,109
	(b) Trade Payable	7	47,772	2,577,042
	(c) Other Current Laibility	8	3,670,948	930,061
	(d) Short Term Provision	9	1,663,642	620,000
	<b>TOTAL</b>		<b>356,740,678</b>	<b>234,999,968</b>
<b>ASSETS</b>				
<b>4</b>	<b>Non-Current Assets</b>			
	(a) Fixed Assets	10		
	- Tangible Assets		1,960,673	2,265,116
	- Intangible Assets		37,683	43,067
	(b) Non-Current Investments	11	6,750,000	6,750,000
	(c) Long Term Loans & Advances	12	57,500	23,500
	(d) Other Non Current Assets	13	-	24,124,446
<b>5</b>	<b>Current Assets</b>			
	(a) Inventories	14	59,248,432	642,403
	(b) Cash & Cash Equivalents	15	42,643,090	1,096,403
	(c) Short -Term Loans And Advances	16	240,580,340	196,882,035
	(d) Other Current Assets	17	5,462,960	3,172,998
	<b>TOTAL</b>		<b>356,740,678</b>	<b>234,999,968</b>

The accompanying notes from 1 to 40 are an integral part of these Financial Statements.

As per our report of even date attached herewith  
**For, PARIKH & AMIN ASSOCIATES**  
Chartered Accountants  
Firm Reg. No.: 107520W

**(K. R. Parikh)**  
Partner  
Membership No.036517

Place : Ahmedabad  
Date : 24th May, 2017

**FOR AND ON BEHALF OF BOARD OF DIRECTORS**  
**MERIT CREDIT CORPORATION LIMITED**

**(Mrudula H. Patel)**  
Director  
DIN 00226030

**(Hardik G. Trivedi)**  
Director  
DIN 06597460

**(Bipin H. Gandhi)**  
Chief Financial Officer

**(Amar H. Patel)**  
Chief Executive Officer

**(Bhavesh M. Thakkar)**  
Company Secretary

**MERIT CREDIT CORPORATION LIMITED**  
**STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED ON 31ST MARCH, 2017**

(IN RUPEES)

Sr. No.	PARTICULARS	NOTE NO.	Year ended on 31.03.2017	Year ended on 31.03.2016
I	Revenue From Operations	18	58,647,230	20,268,057
III	Other Income	19	13,465	650,359
III	<b>TOTAL REVENUE</b>		<b>58,660,695</b>	<b>20,918,416</b>
IV	<b>EXPENSES:</b>			
a	Employee Expenses	20	1,433,629	1,332,746
b	Finance Costs	21	51,088,190	16,486,055
c	Provision for standard Assets	22	90,676	157,973
d	Depreciation & Amortization	23	706,585	273,475
e	Other Expenses	24	2,338,663	1,769,415
	<b>TOTAL EXPENSES</b>		<b>55,657,743</b>	<b>20,019,664</b>
V	<b>PROFIT/(LOSS) BEFORE EXCEPTIONAL AND EXTRAORDINARY ITEMS AND TAX</b>		3,002,952	898,752
VI	<b>PROFIT/ (LOSS) BEFORE TAX</b>		3,002,952	898,752
VII	<b>TAX EXPENSE</b>			
a	Current Tax (-)		1,043,642	80,000
b	MAT credit of current year (-)		-	17,034
c	MAT credit earlier years (-)		388,410	872,813
d	Earlier Years Tax / Excess Provision of Tax (+)		-	138,812
c	Deferred Tax (-)		(99,825)	(61,514)
VIII	<b>PROFIT(LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS</b>		1,670,725	129,231
IX	<b>PROFIT (LOSS) FOR THE PERIOD</b>		<b>1,670,725</b>	<b>129,231</b>
X	<b>Earning Per Share</b>			
a	Basic		0.28	0.02
b	Diluted		0.28	0.02

The accompanying notes from 1 to 40 are an integral part of these Financial Statements.

As per our report of even date attached herewith  
**For, PARIKH & AMIN ASSOCIATES**  
Chartered Accountants  
**Firm Reg. No.: 107520W**

**(K. R. Parikh)**  
Partner  
**Membership No.036517**

**Place : Ahmedabad**  
**Date : 24th May, 2017**

**FOR AND ON BEHALF OF BOARD OF DIRECTORS**  
**MERIT CREDIT CORPORATION LIMITED**

**(Mrudula H. Patel)**  
Director  
**DIN 00226030**

**(Hardik G. Trivedi)**  
Director  
**DIN 06597460**

**(Bipin H. Gandhi)**  
Chief Financial Officer

**(Amar H. Patel)**  
Chief Executive Officer

**(Bhavesh M. Thakkar)**  
Company Secretary

**MERIT CREDIT CORPORATION LIMITED**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2017**

	(₹ in Lacs)	
PARTICULARS	2016-2017	2015-2016
<b>A) CASH FLOWS FROM OPERATING ACTIVITIES</b>		
NET PROFIT/ (LOSS) BEFORE TAX AS PER PROFIT & LOSS ACCOUNT	30.00	8.99
<b>Add/ Less Adjustments for:</b>		
ADD: DEPRECIATION	7.07	2.73
INTEREST PAID	510.88	164.86
LESS: INTEREST INCOME	(355.24)	(149.47)
PROFIT ON SALE OF ASSETS	-	(0.05)
PROVISION FOR STANDARD ASSET	0.91	1.57
<b>OPERATING PROFIT/(LOSS) BEFORE WORKING CAPITAL CHANGES</b>	<b>193.62</b>	<b>28.63</b>
<b>ADJUSTMENTS FOR WORKING CAPITAL:</b>		
INCREASE/ DECREASE IN CURRENT ASSETS	(1,046.25)	769.64
INCREASE/ DECREASE IN CURRENT LIABILITIES	12.55	14.61
<b>CASH GENERATED FROM OPERATIONS</b>	<b>(840.08)</b>	<b>812.88</b>
LESS: TAXES PAID	(14.32)	(11.08)
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>(854.40)</b>	<b>801.80</b>
<b>B) CASH FLOWS FROM INVESTING ACTIVITIES</b>		
PURCHASE OF INVESTMENT	0.00	0.00
PURCHASE OF FIXED DEPOSIT	0.00	0.00
PROCEEDS FROM FIXED DEPOSIT MATURITY/RENEWAL	241.24	0.00
PURCHASE OF FIXED ASSETS	(3.97)	(16.28)
SALE OF FIXED ASSETS	0.00	0.08
<b>NET CASH FLOWS FROM INVESTING ACTIVITIES</b>	<b>237.27</b>	<b>(16.20)</b>
<b>C) CASH FLOWS FROM FINANCING ACTIVITIES</b>		
PROCEEDS FROM SECURED LOANS & UNSECURED LOAN	1,188.24	(783.20)
INTEREST INCOME	355.24	149.47
INTEREST PAID	(510.88)	(164.86)
<b>NET FLOWS FROM FINANCING ACTIVITIES</b>	<b>1,032.60</b>	<b>(798.59)</b>
<b>NET INCREASE/ (DECREASE) ( A+B+C)</b>	<b>415.47</b>	<b>(12.98)</b>
<b>CASH AND CASH EQUIVALENTS AS ON 01.04.2016</b>	<b>10.96</b>	<b>23.94</b>
<b>CASH AND CASH EQUIVALENTS AS ON 31.03.2017</b>	<b>426.43</b>	<b>10.96</b>

The accompanying notes from 1 to 40 are an integral part of these Financial Statements.

In Accordance with our Report attached  
**For, PARIKH & AMIN ASSOCIATES**  
Chartered Accountants  
**Firm Reg. No.: 107520W**

**(K. R. Parikh)**  
Partner  
**Membership No.036517**

**Place : Ahmedabad**  
**Date : 24th May, 2017**

**FOR AND ON BEHALF OF BOARD OF DIRECTORS**  
**MERIT CREDIT CORPORATION LIMITED**

**(Mrudula H. Patel)**  
Director  
**DIN 00226030**

**(Hardik G. Trivedi)**  
Director  
**DIN 06597460**

**(Bipin H. Gandhi)**  
Chief Financial Officer

**(Amar H. Patel)**  
Chief Executive Officer

**(Bhavesh M. Thakkar)**  
Company Secretary

## MERIT CREDIT CORPORATION LIMITED

### NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017

#### NOTE NO. 1 : NOTES FORMING PART OF ACCOUNTS:

##### 1. Significant Accounting Policies:

###### a. Corporate Information:

Merit Credit Corporation Limited (the 'Company' or 'MCCL') is a public company domiciled in India and incorporated on June 03, 1987 under the provisions of the Companies Act, 1956. The Company has received a Certificate of Registration from the Reserve Bank of India ('RBI') on March 20, 1998 to commence/carry on the business of Non-Banking Financial Institution ('NBFC') Non-deposit taking Company.

###### b. Basis of Preparation:

The financial statements of Merit Credit Corporation Limited ("the company") have been prepared and presented to comply in all material respects with the Accounting Standards ('AS') notified under Section 133 of the Companies Act, 2013 (the 'Act') read together with Rule 7 of the Companies (Accounts) Rules, 2014 and other accounting principles generally accepted in India (IGAAP) and as per the guidelines issued by Reserve Bank of India ('RBI') as applicable to a Non-Banking Financial (Non-deposit taking) Companies ('NBFC Regulation'). The financial statements have been prepared on an accrual basis and under the historical cost convention. The notified Accounting Standards (AS) are followed by the company in so far as they are not inconsistent with the NBFC Regulation.

The Accounting policies adopted in the preparation of financial statements are consistent with those of the previous year, except changes as explained below.

###### c. Use of Estimates:

The preparation of the financial statement in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities on the date of the financial statement and reported amounts of revenues and expenses for the year. Actual results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in the current and future periods. Unless stated otherwise, the impact mentioned for the current year is likely to hold good for future years also.

###### d. Revenue Recognition:

Revenue from sale of shares is recognized when significant risks and rewards in respect of ownership of shares are transferred to brokers. Revenue from domestic sales is recognized on delivery of shares to brokers, from the Company.

Dividend income is recognized when the unconditional right to receive the income is established. Income from interest on deposits, loans and interest bearing securities is recognized on the time proportionate method based on underlying interest rates.

###### e. Valuation of Inventories

###### Inventories:

- (a) The Securities acquired with the intention of short term holding and trading positions are considered as inventories and disclosed as current assets.
- (b) The Securities held as inventories under current assets are valued at cost or market value whichever is lower.
- (c) Securities held as Stock-in-trade are valued scrip wise at cost or market value whichever is lower inclusive of Brokerage and other charges and including Security Transaction tax.

###### f. Contingencies and Event occurring after Balance Sheet date

Event occurring after the date of Balance sheet, which provide further evidence of conditions that existed at the Balance Sheet date or that arose subsequently, are considered up to the date of approval of accounts by the Board of Directors, where material.

###### g. Fixed Assets:

The Fixed Assets are shown at historical cost less accumulated depreciation. The cost includes any cost attributable of bringing the assets to its working condition for its intended use.

Gains or losses arising from derecognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the fixed assets and are recognized in the statement of profit and loss when the asset is derecognized.

###### h. Depreciation:

- a. Depreciation on assets has been provided on a straight line basis at the rates prescribed in Part C of Schedule II of the Companies Act, 2013.
- b. In respect of assets acquired / sold / discharged during the financial period each asset was put to use during the financial period.

###### i. Lease:

###### Operating Lease:

Where the company is lessee

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased asset are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight line basis over the tenure of the lease.

###### j. Employee Benefits:

## MERIT CREDIT CORPORATION LIMITED

### **Short Term:**

Short Term employee benefits are recognized as an expense at the undiscounted amount expected to be paid over the period of services rendered by the employees to the company.

### **Long Term:**

The Company has not framed any policy for providing long term benefits to the employees as the relevant Acts for the same are not applicable to the company. Hence the long term benefits are not recognized by the company.

### **k. Taxation:**

Current tax is determined as the amount of tax payable to the taxation authorities in respect of taxable income for the period. Deferred tax is recognized, subject to the consideration of prudence, on timing difference being differences between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

### **l. Minimum Alternate Tax:**

Minimum alternate tax paid in a year is charged to the statement of profit and loss as current tax. The company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the company will pay normal income tax during the specified period. In the year in which the company recognizes MAT credit as an asset in accordance with the guidance note on accounting for credit available in respect of minimum alternative tax under the income tax act 1961, the said asset is created by way of credit to the statement of profit and loss account and shown as MAT credit entitlement. The company reviews the MAT credit entitlement asset at each reporting date and write down the asset to the extent the company does not have convincing evidence that it will pay normal tax during the specified period.

### **m. Impairment of Assets:**

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

### **n. Accounting for Provisions, Contingent Liabilities and Contingent Assets:**

Provisions are recognized in terms of Accounting Standard -29 on "Provisions, Contingent Liabilities and Contingent Assets" issued by the ICAI, when there is a present legal or statutory obligation as a result of past events leading to probable outflow of resources, where a reliable estimate can be made to settle the same.

Contingent Liabilities are recognized only when there is a possible obligation arising from past events due to occurrence or non-occurrence of one or more uncertain future events, not wholly within the control of the Company, or where any present obligation cannot be measured in terms of future outflow of resources, or where a reliable estimate of the obligation cannot be made. Obligations are assessed on an ongoing basis and only those having a largely probable outflow of resources are provided for.

Contingent Assets are not recognized in the financial statements.

### **o. Earnings Per Share:**

Basic and diluted earnings per share are computed in accordance with Accounting Standard 20 – Earnings per share. Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the year.

For the purpose calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders are the weighted average number of shares outstanding during the year are adjusted for the effect of dilutive potential equity shares.

### **p. Cash Flow Statement:**

(a) The Cash Flow Statement is prepared by the indirect method set out in Accounting Standard (AS-3) on Cash Flow Statements and presents the cash flows by operating, investing and financing activities of the company.

(b) Cash and Cash Equivalents presented in the Cash Flow Statement comprise of cash on hand and balance in current accounts and deposit account with banks.

### **q. Borrowing Costs:**

(a) Borrowing costs that are attributable to the acquisition or construction of an asset are capitalized as part of cost of such assets till such time the asset is ready for its intended commercial use.

(b) Other borrowing costs are charged off to Revenue Account in the year in which they are incurred.

### **r. Non Current Investments:**

Securities which are intended to be held for one year or more are classified as Non Current – Long Term Investments. Investments are capitalized and accounted at the cost plus brokerage and stamp charges. Provision of Diminution in value is made in case the same is other than temporary. Profit or losses on investments are accounted as and when realized. Investment is valued as per AS-13 on Accounting for Investments. Dividend is accounted as and when received.

### **s. Derivative Transactions:**

#### **a. Equity & Commodity Futures:**

Gains / Losses on futures transactions are recognized on continuous basis.

#### **b. Options Contracts:**

Gains / Losses on options contract are recognized on squaring off/ settlement day.

**MERIT CREDIT CORPORATION LIMITED**

**NOTES TO AND FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2017**

(In Rupees)

NOTE NO.	PARTICULARS			As at 31.03.2017	As at 31.03.2016
<b>2</b>	<b>SHARE CAPITAL: AUTHORISED:</b>				
		<b>No. of Shares</b>			
	Equity Shares of ₹10/- each	10500000	10500000	105,000,000	105,000,000
				105,000,000	105,000,000
	<b>ISSUED, SUBSCRIBED&amp; PAID UP EQUITY</b>	<b>No. of shares</b>			
	At the beginning of the reporting period	6000000	6000000	60,000,000	60,000,000
	Issued during the reporting period	-	-	-	-
	At the close of the reporting period	6000000	6000000	60,000,000	60,000,000
				<b>60,000,000</b>	<b>60,000,000</b>
<b>a</b>	<b>Reconciliation of number of shares</b>				
		<b>As at 31.03.2017</b>		<b>As at 31.03.2016</b>	
	<b>Particulars</b>	<b>Equity Shares</b>		<b>Equity Shares</b>	
		<b>Number</b>	<b>Rupees</b>	<b>Number</b>	<b>Rupees</b>
	Shares outstanding at the beginning of the year	6000000	60,000,000	6,000,000	60,000,000
	Shares issued during the year	-	-	-	-
	Shares bought back during the year	-	-	-	-
	Shares outstanding at the end of the year	6000000	60,000,000	6,000,000	60,000,000
<b>b</b>	<b>Terms/rights ,preferences and restrictions attached to</b>				
	- <b>Equity Shares:</b>				
	The company has one class of equity shares having a par value of ₹ 10 each. Each share holder is eligible for one vote per share held. The dividend proposed by the board of director is subject to the approval of share holders in the ensuing Annual General meeting, except in case of interim dividend. In the event of liquidation, the equity share holders are eligible to receive the remaining assets of the company after distribution of all preferential dues, in proportion to their shareholding.				
	During the period ended 31 March, 2017, the amount of per share dividend recognized for distribution to equity shareholders was ₹ Nil. (P.Y. 31st March, 2016 is ₹ Nil)				
<b>c</b>	<b>Details of shareholders holding more than 5% shares in the Company</b>				
		<b>As at 31.03.2017</b>		<b>As at 31.03.2016</b>	
	<b>Name of Shareholders</b>	<b>No.of shares held</b>	<b>% of Holding</b>	<b>No.of shares held</b>	<b>% of Holding</b>
	Dreamstone Construction Pvt Ltd	1016900	16.95%	1,025,100	17.09%
	Sterling Stands Pvt Ltd	998000	16.63%	998,000	16.63%
	Merit Finance & Leasing Pvt. Ltd	852700	14.21%	852,700	14.21%
<b>3</b>	<b>RESERVE &amp; SURPLUS:</b>				
<b>a</b>	<b>General Reserve</b>				
	As per Last Balance Sheet			247,819	247,819
	During the year			-	-
				<b>247,819</b>	<b>247,819</b>
<b>b</b>	<b>Equity Share Premium</b>				
	Op Balance			72,000,000	72,000,000
	Add: During the year			-	-
				<b>72,000,000</b>	<b>72,000,000</b>
<b>c</b>	<b>Statutory Reserve</b>				
	(Reserve fund in terms of section 45IC (1) of the Reserve Bank of India Act, 1934 )				
	As per Last Balance Sheet			7,241,240	7,077,490
	Add: During the year			391,862	163,750
				<b>7,633,103</b>	<b>7,241,240</b>
<b>d</b>	<b>Surplus in Statement of Profit &amp; Loss Account:</b>				
	As per beginning of reporting period			8,885,132	8,919,651
	Add: Transferred from Profit & Loss Account			1,670,725	129,231
	Less: Trnsfer to Reserve fund in terms of section 45IC (1) of the RBI Act, 1934			(391,862)	(163,750)
	Less: Trnsfer to General Reserve			-	-
	As the end of reporting period			10,163,995	8,885,132
	<b>Total</b>			<b>90,044,917</b>	<b>88,374,191</b>

**MERIT CREDIT CORPORATION LIMITED**

(In Rupees)

NOTE NO.	PARTICULARS	As at 31.03.2017	As at 31.03.2016
<b>4</b>	<b>DEFERRED TAX LIABILITY</b>		
	Gross Defered Tax Liability	100,707	162,221
	Deferred tax Liability		
	Fixed Asset : Impact of difference between tax depreciation and depreciation charged for the financial reporting	(99,825)	(61,514)
	<b>Net Deferred Tax Liability</b>	<b>882</b>	<b>100,707</b>
<b>5</b>	<b>LONG TERM PROVISIONS</b>		
	Contigent Provisions against Standard Assets	534,534	443,858
	<b>Total</b>	<b>534,534</b>	<b>443,858</b>
<b>6</b>	<b>SHORT TERM BORROWINGS</b>		
a	<b>Secured</b>		
i	<b>From Banks</b>		
	(Secured by pledge of Fixed Deposit Receipts.Loan is repayble on demand)	1,710	-
ii	Inter-Corporate Deposits (Secured against Shares & Security) (Secured against Shares & Securities)	-	-
b	<b>Un Secured</b>		
	<b>Loans and Advances-Payable on Demand</b>		
	From Companies	200,776,274	81,954,109
	<b>Total</b>	<b>200,777,984</b>	<b>81,954,109</b>
<b>7</b>	<b>TRADE PAYABLE</b>		
a	For Services and Others	47,772	2,577,042
	<b>Total</b>	<b>47,772</b>	<b>2,577,042</b>
<b>8</b>	<b>OTHER CURRENT LIABILIES</b>		
	<b>Other Payables</b>		
a	Statutory Dues	3,670,948	930,061
	<b>Total</b>	<b>3,670,948</b>	<b>930,061</b>
<b>9</b>	<b>SHROT TERM PROVISION</b>		
a	Provision for Income Tax	1,663,642	620,000
	<b>Total</b>	<b>1,663,642</b>	<b>620,000</b>

**NOTE NO.10 : FIXED ASSETS (AT COST)**

(Amount Rs)

PARTICULAR	GROSS BLOCK			DEPRECIATION				NET BLOCK		
	AS ON 01-04-2016	ADDITION	(DECUCTION)	AS ON 31-03-2017	AS ON 01-04-2016	ADDITION	DEDUCTION	AS ON 31-03-2017	AS ON 31-03-2017	AS ON 31-03-2016
<b>Tangible Assets</b>										
Office Equipments	368,751	62,940	-	431,691	70,082	53,675	-	123,757	307,934	298,669
Furniture & Fixtures	16,000	204,919	-	220,919	15,200	13,535	-	28,735	192,184	800
Computers	744,214	128,900	-	873,114	570,324	95,610	-	665,934	207,180	173,890
Vehicles	3,671,066	-	-	3,671,066	1,879,309	538,382	-	2,417,691	1,253,375	1,791,757
<b>Sub-Total (A)</b>	<b>4,800,031</b>	<b>396,759</b>	<b>-</b>	<b>5,196,790</b>	<b>2,534,915</b>	<b>701,202</b>	<b>-</b>	<b>3,236,117</b>	<b>1,960,673</b>	<b>2,265,116</b>
<b>Intangible Assets</b>										
Tally. Erp9	51,000	-	-	51,000	7,933	5,383	-	13,317	37,683	43,067
Accounting Software										
<b>Sub-Total (B)</b>	<b>51,000</b>	<b>-</b>	<b>-</b>	<b>51,000</b>	<b>7,933</b>	<b>5,383</b>	<b>-</b>	<b>13,317</b>	<b>37,683</b>	<b>43,067</b>
<b>Total (A+B)</b>	<b>4,851,031</b>	<b>396,759</b>	<b>-</b>	<b>5,247,790</b>	<b>2,542,848</b>	<b>706,585</b>	<b>-</b>	<b>3,249,434</b>	<b>1,998,356</b>	<b>2,308,183</b>

## MERIT CREDIT CORPORATION LIMITED

				(In Rupees)	
NOTE	PARTICULARS	No. of Shares		As at	As at
		2017	2016	31.03.2017	31.03.2016
<b>11</b>	<b>NON CURRENT INVESTMENTS</b>				
	<b>Investments</b>				
	Investment in Equity Shares(Un quoted)			6,750,000	6,750,000
	Total			<b>6,750,000</b>	<b>6,750,000</b>
	Equity Shares (Un quoted)				
	Spiritual Marketing Pvt. Ltd	50000	50000	6,750,000	6,750,000
	Total			<b>6,750,000</b>	<b>6,750,000</b>
<b>12</b>	<b>LONG TERM LOANS &amp; ADVANCES</b>				
	(Unsecured considered good, unless otherwise states)				
	a Security Deposits			57,500	23,500
	Total			<b>57,500</b>	<b>23,500</b>
<b>13</b>	<b>OTHER NON-CURRENT ASSETS</b>				
	a Fixed Deposits (more than 12 months)			-	24,124,446
	Total			-	<b>24,124,446</b>
<b>14</b>	<b>INVENTORIES</b>				
	(Valued at lower of cost or net realizable value)				
	<b>Closing Stock :</b>				
	a Equity Shares			59,243,432	637,403
	b Mutual Funds			5,000	5,000
	(above inventories taken, valued and certified by the management)				
	Total			<b>59,248,432</b>	<b>642,403</b>
<b>15</b>	<b>CASH &amp; CASH EQUIVALENTS</b>				
	a Balance with Banks				
	In Current Accounts			18,102,052	933,215
	b Cash On Hand			416,592	163,188
	c Other Bank Balance				
	Fixed Deposit (Less than 12 months)			24,124,446	-
	Fixed Deposits (more than 12 months)			-	24,124,446
				24,124,446	24,124,446
	Less: More than 12 months transferred to Non-Current Assets			-	24,124,446
	Less: Accrued Interest On FD Less Than 12 Months			-	-
	Total Fixed Deposits			24,124,446	-
	Total			<b>42,643,090</b>	<b>1,096,403</b>
<b>16</b>	<b>SHORT TERM LOANS &amp; ADVANCES</b>				
	(UNSECURED CONSIDERED GOOD UNLESS OTHERWISE STATED)				
	a Advances receivable In cash or kind			-	-
	b Advance tax and advance TDS (Net of Provision)			19,854,857	12,020,244
	c Pre-paid expenses			27,882	46,077
	d MAT Credit Receivable			1,576,357	1,964,767
	e Loans and advances to others			219,121,244	182,850,947
	Total			<b>240,580,340</b>	<b>196,882,035</b>
<b>17</b>	<b>OTHER CURRENT ASSETS</b>				
	a Interest accrued on Fixed Deposits			5,462,960	3,172,998
	Total			<b>5,462,960</b>	<b>3,172,998</b>

**MERIT CREDIT CORPORATION LIMITED**

**NOTES TO AND FORMING PART OF STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31.03.2017**

(Amount Rs)

Note No.		Year Ended 31.03.2017	Year Ended 31.03.2016
<b>18</b>	<b>REVANUE FROM OPERATIONS</b>		
	<b>PROFIT (LOSS) ON TRADING OF SHARES, SECURITIES &amp; COMMODITY</b>		
	<b>Trading of shares &amp; securities</b>		
	Sales	190,160,673	710,976,591
	Add: Closing Stock in Trade	59,248,432	642,403
		249,409,105	711,618,994
	Less: Opening Stock In Trade	642,403	149,614,596
	Purchase	225,619,280	552,233,513
		226,261,683	701,848,109
	<b>Total Profit (Loss)</b>	<b>23,147,422</b>	<b>9,770,885</b>
	Profit / Loss on other tradings	(24,218)	(4,450,042)
	<b>Interest Income</b>		
	Interest Income	35,524,026	14,862,973
	Interest Income (Tax Free)	-	84,241
	<b>Total Interest Income</b>	<b>35,524,026</b>	<b>14,947,214</b>
	<b>Total</b>	<b>5,86,47,230</b>	<b>2,02,68,057</b>
<b>19</b>	<b>OTHER INCOME</b>		
	Dividend	-	571,076
	Miscellaneous Income	13,465	73,983
	Profit on Sale of Asset	-	5,300
	<b>Total</b>	<b>13,465</b>	<b>650,359</b>
<b>20</b>	<b>EMPLOYEE BENEFITS EXPENSES</b>		
	Salaries & Allowances	1,433,629	1,332,746
	<b>Total</b>	<b>1,433,629</b>	<b>1,332,746</b>
<b>21</b>	<b>FINANCE COST</b>		
	Interest Expenses	51,088,190	16,486,055
	<b>Total</b>	<b>51,088,190</b>	<b>16,486,055</b>
<b>22</b>	<b>PROVISIONS</b>		
	Provision of Statdard Assets	90,676	157,973
	<b>Total</b>	<b>90,676</b>	<b>157,973</b>
<b>23</b>	<b>DEPRECIATION</b>		
	Depreciation	701,202	268,092
	Amortization	5,383	5,383
	<b>Total</b>	<b>706,585</b>	<b>273,475</b>
<b>24</b>	<b>ADMINISTARTIVE EXPENSE</b>		
	Car Petrol & Repairing	240,390	155,493
	Audit Fees	12,500	12,500
	Legal & Professional Fees	817,286	659,355
	Rent, Rates & Taxes	197,000	108,000
	Listing Fees	25,000	-
	Electricity Expenses	121,420	70,700
	Website Development	8,000	-
	Share Registrar Fees	68,800	99,956
	Filling Fees	5,400	21,000
	Processing Fees	421	-
	Insurance Premium	69,937	67,292
	Travelling & Conveyance	214,897	54,526
	Office & Misc. Expenses	262,436	184,629
	PMS Charges	-	109,922
	Postage, Telephone & Telegram	81,802	48,724
	Printing & Stationery	88,136	70,838
	Prior Period Expenses	1,843	-
	Misc. Expenture	123,395	106,480
	<b>Total</b>	<b>2,338,663</b>	<b>1,769,415</b>

## MERIT CREDIT CORPORATION LIMITED

25. Schedule to the Balance Sheet as at 31<sup>st</sup> March, 2017

### **Balance Sheet of a Non Deposit Taking Non-Banking Financial Company**

*[(As required in terms of paragraph 13 of Non-Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015]*

(₹ in lakhs)

Particulars	Amount out-standing As on 31-03-2017	Amount overdue As on 31-03-2017
<b>Liabilities side :</b>		
<b>1 Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid:</b>		
(a) Debentures		
Secured	NIL	NIL
Unsecured	NIL	NIL
(other than falling within the meaning of public deposits*)		
(b) Deferred Credits	NIL	NIL
(c) Term Loans	NIL	NIL
(d) Inter-corporate loans and borrowing	2007.76	NIL
(e) Commercial Paper	NIL	NIL
(f) Public Deposits	NIL	NIL
(g) Other Loans (un Secured Loan)	NIL	NIL
* Please see Note 1 below		
<b>Assets side :</b>		
<b>Amount outstanding</b>		
<b>2 Break-up of Loans and Advances including bills receivables [other than those included in (4) below] :</b>		
(a) Secured		NIL
(b) Unsecured		2191.21
<b>3 Breakup of Leased Assets and stock on hire and hypothecation Loans counting towards EL/HP activities</b>		
(i) Lease assets including lease rentals under sundry debtors :		
(a) Financial lease		NIL
(b) Operating lease		NIL
(ii) Stock on hire including hire charges under sundry debtors:		
(a) Assets on hire		NIL
(b) Repossessed Assets		NIL
(iii) Hypothecation loans counting towards EL\HP activities		
(a) Loans where assets have been repossessed		NIL
(b) Loans other than (a) above		NIL
<b>4 Break-up of Investments :</b>		
Current Investments :		
1. Quoted :		
(i) Shares		
(a) Equity		NIL
(b) Preference		NIL
(ii) Debentures and Bonds		
(iii) Units of mutual funds		
(iv) Government Securities		
(v) Others (please specify)		
2. Unquoted :		
(i) Shares		
(a) Equity		67.50
(b) Preference		NIL
(ii) Debentures and Bonds		
(iii) Units of mutual funds		
(iv) Government Securities		
(v) Others (please specify)		

## MERIT CREDIT CORPORATION LIMITED

### 4 Break-up of Investments : [contd...]

Long Term investments :	NIL
1 Quoted :	
(i) Shares	
(a) Equity	NIL
(b) Preference	NIL
(ii) Debentures and Bonds	NIL
(iii) Units of mutual funds	NIL
(iv) Government Securities	NIL
(v) Others (please specify)	NIL
2. Unquoted :	NIL
(i) Shares	
(a) Equity	67.50
(b) Preference	NIL
(ii) Debentures and Bonds	NIL
(iii) Units of mutual funds	NIL
(iv) Government Securities	NIL
(v) Others (please specify)	NIL

### 5 Borrower group-wise classification of assets financed as in (2) and (3) above: (Please see note (2) below):

Category	Amount net of provisions		Total
	Secured	Unsecured	
1. Related Parties**			
(a) Subsidiaries	NIL	NIL	NIL
(b) Companies in the same group	NIL	NIL	NIL
(c) Other related parties	NIL	NIL	NIL
2. Other than related parties	NIL	NIL	NIL
<b>Total</b>	NIL	NIL	NIL

### 6 Investor group wise classification of all investments ( current and long term) in shares and securities (both quoted and unquoted):

Category	Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)	
1. Related Parties**			
(a) Subsidiaries		NIL	NIL
(b) Companies in the same group		NIL	NIL
(c) Other related parties		NIL	NIL
2. Other than related parties		NIL	NIL
<b>Total</b>		NIL	NIL

\*\* As per Accounting Standard of ICAI (Please see Note 3)

### 7 Other information

Particulars	Amount
(1) Gross Non-Performing Assets	
(a) Related parties	NIL
(b) Other than related parties	NIL
(2) Net Non-Performing Assets	
(a) Related parties	NIL
(b) Other than related parties	NIL
(3) Assets acquired in satisfaction of Debt	NIL

#### Notes:

- As defined in paragraph 2(1) (xii) of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998. (Reserve Bank) Directions, 2016.
- Provisioning norms shall be applicable as prescribed in Non-Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015 or Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015 whichever is applicable.
- All Accounting Standards and Guidance Notes issued by ICAI are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break up/fair value/NAV in respect of unquoted investments should be disclosed irrespective of whether they are classified as long term or current in (4) above.

## MERIT CREDIT CORPORATION LIMITED

### 26. Contingent Liabilities:

Demand raised by Deputy Commissioner of Income Tax, Ahmedabad in respect of disclosing the prior years (A.Y. 2011-12 ₹125.54 Lakhs and A.Y. 2013-14 ₹660.98 Lakhs). Out of which company has already paid and deposited ₹123 lakhs. Further the company has preferred an appeal with Commissioner of Income Tax (Appeal). Considering the matter, the company is of strong belief that there would be no liability against the aforesaid assessment years/ orders.

### 27. Taxation:

- a) Current Tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of Income-tax Act, 1961 & provision for income tax is made accordingly.
- b) Tax expenses for the year comprises of:
  - i. Current Tax (provision) as per Income Tax Act, 1961 ₹ 10,43,642/- .
- c) Deferred Tax Liability:

Particulars	2016-17 (Rs.)	2015-16 (Rs.)
Opening Balance	1,00,707	1,62,221
For the year	(99,825)	(61,514)
Closing Balance	882	1,00,707

### 28. As per the Accounting Standard 18, disclosures regarding related parties:

#### Directors and Key Managerial Personnel and Relative:

Name	Designation
Smt. Mrudula H. Patel	Director
Shri Hardik G. Trivedi	Director
Shri Bhiku I. Patel	Director
Shri Bipin H. Gandhi	Chief Financial Officer - KMP
Shri Amar H. Patel	Chief Executive Officer - KMP
Shri Bhavesh M. Thakkar	Company Secretary – KMP

#### Details of Transaction with above parties:

(₹ In Lakhs)

Particulars	Associates		Directors		Key Managerial Personnel	
	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16
Remuneration						
- Bipin H. Gandhi	-	-	-	-	2.80	-
- Bhavesh M. Thakkar	-	-	-	-	1.43	-

29. Previous year figures have been re-arranged, re-classified and re-grouped, wherever necessary to make them comparable with those of current year.
30. Loans & Advances, deposits and other loans are as per the book and subject to confirmation from respective parties.
31. No Provision has been made for liability in respect of Gratuity and Leave Encashment. The effect of the same cannot be quantified, to the extent Profit for the year and balance of Reserve and Surplus are overstated and balance of Current / Non-Current Liability is understated.
32. The Company is not covered under Gratuity Act or PF Act hence no long term benefit are accounted on the same.
33. In the opinion of the management, the Trade receivables, loans and advances appearing in the balance sheet have a value equivalent to the amount stated therein, if realized during the ordinary course of the business and all known liabilities have been provided.
34. Expenditure in Foreign Currency: NIL
35. Earning in Foreign Exchange : NIL
36. Prudential Norms of the Reserve Bank of India (RBI).

## MERIT CREDIT CORPORATION LIMITED

The Prudential Norms of the RBI require the company to derecognize certain income and make provisions for non performing assets.

In compliance with Guidelines prescribed by Reserve Bank of India for NBFC;

i) Provided 0.25% of Standard Assets amounting to ₹5.35 lakhs (Previous year ₹4.43 lakhs).

ii) Appropriated 20% of the Net Profits ₹3.92 lakhs (Previous year ₹1.63 lakhs) to Special Reserve Fund.

37. Tax Deducted at Sources on Income ₹35.35 lakhs (previous year ₹14.62 lakhs).

38. Earnings per share:

Particulars		31.03.2017	31.03.2016
Net profit for the year attributable to Equity Shareholders		16,70,725	1,29,231
Weighted average number of Equity Shares outstanding	No.	60,00,000	60,00,000
Basic and Diluted earnings per share (face value of ₹ 10 each)	₹	0.28	0.02

39. The Company has no amounts due to suppliers under the Micro, small and Medium Enterprises Development Act, 2006. (MSMED Act) as at 31<sup>st</sup> March, 2017.

40. The Company's holding as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016 has been disclosed as below:

Particulars	Specified Bank Notes Amount	Other Denomination Notes Amount	Total Amount
Closing balance as at 8 <sup>th</sup> November, 2016.	3,00,000	64,156	3,64,156
Transaction between 08th November, 2016 and 30th December, 2016.			
Add: Withdrawal from Bank accounts	Nil	1,60,000	1,60,000
Add: Receipts for non-permitted transactions (if any)	Nil	Nil	Nil
Less: Paid for permitted transactions	Nil	53,283	53,283
Less: Paid for non-permitted transactions	Nil	Nil	Nil
Less: Deposited in bank accounts	3,00,000	Nil	3,00,000
Closing balance as at 30th December, 2016.	Nil	1,70,873	1,70,873

For, PARIKH & AMIN ASSOCIATES

Chartered Accountants

Firm Reg. No.: 107520W

(K. R. Parikh)

Partner

Membership No.036517

Place : Ahmedabad

Date : 24th May, 2017

FOR AND ON BEHALF OF BOARD OF DIRECTORS

MERIT CREDIT CORPORATION LIMITED

(Mrudula H. Patel)

Director

DIN 00226030

(Hardik G. Trivedi)

Director

DIN 06597460

(Bipin H. Gandhi)

Chief Financial Officer

(Amar H. Patel)

Chief Executive Officer

(Bhavesh M. Thakkar)

Company Secretary

**MERIT CREDIT CORPORATION LIMITED**  
**NON-BANKING FINANCIAL COMPANIES AUDITOR'S REPORT**

To,  
The Board of Directors,  
**MERIT CREDIT CORPORATION LIMITED**  
Ahmedabad

**Dear Sir/ Madam,**

In addition to the report made under Section 143 of the Companies Act, 2013 on the Accounts of a Non-Banking Financial Companies, The Reserve Bank Of India Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2008 for all NBFC as defined in section 45(f) of the Reserve Bank Of India Act, 1934 and considering it necessary in the public interest and for the purpose of proper assessment of books of accounts of NBFCs, in exercise of the powers conferred by sub-section (1A) of Section 45MA of the Reserve Bank Of India Act, 1934.

We report on the examined accounts of **MERIT CREDIT CORPORATION LIMITED**, a Non-Banking Financial Company (Not Accepting Public Deposit) for financial year ended on March 31, 2017, as per the matters specified in para 3 and 4 of the said Directions in vide Director No. **DNBS. PPD.03/66.15.001/2016-17 dated September 29, 2016** to the extent applicable to the company as follows:

1. The Company is engaged in the business of Non-Banking Financial Institution, had applied for registration as provided in Section 45-IA of the Reserve Bank of India Act, 1934 and it has also been Granted Certificate of Registration (CoR) by the Reserve Bank of India, Reg.No.01.00134 on dated 20/03/1998.
2. The Company is holding the Certificate of Registration (CoR) issued by RBI and the company is entitled to continue to hold such CoR in terms of its asset / income pattern as on March 31, 2017.
3. As per RBI Master Direction – Non-Banking Financial Company – Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016 and Master Direction – Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 (i.e. Master Direction DNBS. PPD.03/66.15.001/2016-17 dated September 29, 2016), as required under the regulation Company is fulfill the required criteria of Net Owned Fund.
4. As per Circular No.DNBS.PD.CCNo.85/03.02.089/2006-07 dated December 6, 2006, the company is not classified as Asset Finance Company (AFC) and hence, Non-Banking Financial (Non-deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015 is applicable in respect of Non-Deposit taking NBFC.
5. The Company has not accepted any public deposits during the year 2016-17, Board of Directors of the Company has passed resolution for non-acceptance of any public deposits in the 1<sup>st</sup> Board Meeting held on 2nd April, 2016.
6. For the Financial Year ended 31.03.2017 the company has complied with the prudential norms relating to income recognition, accounting standards, asset classification, provisioning for bad and doubtful debts & capital adequacy and exposure norms as applicable to it in terms of Non-Systematically Important Non-Banking Financial (Non-Deposits Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015.
7. In respect of Systemically Important Non-Deposits taking NBFC as defined in paragraph 2(1)(xix) of the Non-Systematically Important Non-Banking Financial (Non-Deposits Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015, the Company is not required to submit the return in Form NBS-7, as per Circular No. DNBS (PD). CC. No.141 / 03.10.001/ 2008-2009 dated June 4, 2009.

**FOR PARIKH AND AMIN ASSOCIATES**  
CHARTERED ACCOUNTANTS  
Firm Registration No. 107520W

Place : Ahmedabad  
Date : 24<sup>th</sup> May, 2017

**K.R. PARIKH**  
(PARTNER)  
Membership No.036517



## MERIT CREDIT CORPORATION LIMITED

(CIN No. - L65910GJ1987PLC009699)

Regd. Office: 3, Ravipushpa Apartment, Opp. Sunset Row House, Gurukul Road, Ahmedabad-380052.

Phone No. (079) 64500556 E-mail id- mccl\_1987@yahoo.com Website : www.mccl.in.net

### ATTENDANCE SLIP

Members attending the Meeting in person or by proxy are requested to complete the attendance slip and hand it over at the entrance of the meeting hall.

I/We hereby record my/our presence at the 30<sup>th</sup> Annual General Meeting of the Company at 3, Ravipushpa Apartment, Opp. Sunset Row House, Gurukul Road, Ahmedabad-380052 held on Thursday, the 28<sup>th</sup> September, 2017 at 11:00 a.m.

Name of the Shareholder(s)	
Name of the Proxy or Authorized Representative of the Company / Institution	
No. of Shares(s) Held	
* Registered Folio No.	
** DP ID & Client ID No.	
Signature of Shareholder(s)/ Proxy/ Authorised Representative	

#### Notes:

1. A Proxy attending on behalf of Shareholder(s) should write the name of the Shareholder(s) from whom he/she holds Proxy.
2. Members are requested to bring their copy of the Annual Report to the Meeting.
3. Please fill-up this Attendance Slip and hand it over at the Registration Counter(s) at the Venue.

\*Applicable for investors holding shares in physical mode.

\*\*Applicable for investors holding shares in electronic/dematerialised form.

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### Form No. MGT-11

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

### PROXY FORM

Name of the Member(s) :
Registered Address :
E Mail id :
Folio No. / Client Id or DP Id :

I/We, being a member(s) of \_\_\_\_\_ shares of Merit Credit Corporation Limited, hereby appoint:

1. Name : \_\_\_\_\_ Address : \_\_\_\_\_  
E-mail Id : \_\_\_\_\_ Signature : \_\_\_\_\_ or falling him
2. Name : \_\_\_\_\_ Address : \_\_\_\_\_  
E-mail Id : \_\_\_\_\_ Signature : \_\_\_\_\_ or falling him
3. Name : \_\_\_\_\_ Address : \_\_\_\_\_  
E-mail Id : \_\_\_\_\_ Signature : \_\_\_\_\_ or falling him

as my/our proxy to attend and vote (on a poll) for me/us and on my /our behalf at the 30<sup>th</sup> Annual General Meeting of the Company, to be held on Thursday, the 28<sup>th</sup> day of September, 2017 at 11:00 a.m., at 3, Ravipushpa Apartment, Opp. Sun Set Raw House Gurukul Road, Ahmedabad-380052 and at any adjournment thereof in respect of such resolution as are indicated below:

**MERIT CREDIT CORPORATION LIMITED**

(CIN No. - L65910GJ1987PLC009699)

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Phone No. (079) 64500556 E-mail id- mccl\_1987@yahoo.com Website : www.mccl.in.net

Date: .....

To,  
**The Company Secretary**  
MERIT CREDIT CORPORATION LIMITED  
3, Ravipushpa Apartment,  
Opp. Sunset Row House,  
Gurukul Road, Ahmedabad-380052  
Dear Sir,

Sub: **Updation of email address and registered address**

Please register my email address and registered address for the purpose of sending Annual Report and other notices/documents in electronic mode:

Name : \_\_\_\_\_

Email Id : \_\_\_\_\_

Folio No. / DP Id : \_\_\_\_\_

Client Id : \_\_\_\_\_

Signature of the First named Shareholder

Name : \_\_\_\_\_

Address : \_\_\_\_\_

\_\_\_\_\_

	Resolutions	Optional	
		For	Against
	<b>Ordinary Business:</b>		
1.	Adoption of Audited Financial Statements as on 31 <sup>st</sup> March, 2017.		
2.	Re-appointment of Mrs. Mrudulaben H. Patel (DIN: 00226030)		
3.	Appointment of Auditors and fixing their remuneration		
	<b>Special Business:</b>		
4.	Creation of Charges on the Movable and Immovable Properties of the Company, Both Present and Future		
5.	Increasing Borrowing Power		

Signed this \_\_\_\_\_ day of \_\_\_\_\_, 2017

Signature of the Shareholder : \_\_\_\_\_

Signature of Proxy holder(s) : \_\_\_\_\_

Affix  
requisite  
Revenue  
Stamp

Note : This form of Proxy in order to be effective should be duly completed and deposited at the Registered office of the Company not less than 48 hours before the commencement of the meeting.



To,

If undelivered please return to :

**MERIT CREDIT CORPORATION LIMITED**

(CIN No. - L65910GJ1987PLC009699)

Regd. Office: 3, Ravipushpa Apartment,

Opp. Sunset Row House, Gurukul Road,

Ahmedabad-380052.

Phone No. (079) 64500556

E-mail id- mccl\_1987@yahoo.com