

# MERIT CREDIT CORPORATION LIMITED

(CIN No. - L65910GJ1987PLC009699)

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

Phone No. (079) 27471946, E-mail id- [mccl1987@gmail.com](mailto:mccl1987@gmail.com), Website: [www.mccl.in.net](http://www.mccl.in.net)

27<sup>th</sup> September, 2018

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 2017-18.**

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 2017-18 duly approved and adopted by the shareholders of the Company at the 31<sup>st</sup> Annual General Meeting (AGM), held on 27<sup>th</sup> September, 2018.

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

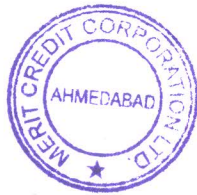
Thanking you.

Yours faithfully,

**For, Merit Credit Corporation Limited**

  
**Authorized Signatory**

**Encl: As above**



**31ST  
ANNUAL REPORT  
[F.Y. 2017-2018]**

**MERIT CREDIT CORPORATION LIMITED**

(CIN:L65910GJ1987PLC009699)

## MERIT CREDIT CORPORATION LIMITED

### COMPANY INFORMATION

❖ **BOARD OF DIRECTORS:**

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

❖ **CHIEF EXECUTIVE OFFICER:**

Mr. Amar Harshad Patel

❖ **CHIEF FINANCIAL OFFICER:**

Mr. Bipin Harilal Gandhi

❖ **COMPANY SECRETARY:**

Ms. Kruti S. Vyas

❖ **STATUTORY AUDITORS:**

M/s. Talati & Talati  
Chartered Accountants  
Ambica Chambers ,  
Near Old High Court,  
Navarangpura, Ahmedabad- 380 009

❖ **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

MERIT CREDIT CORPORATION LIMITED  
CIN: L65910GJ1987PLC009699

## NOTICE

NOTICE is hereby given that the 31st Annual General Meeting of the Members of MERIT CREDIT CORPORATION LIMITED will be held on Thursday, 27th September, 2018 at 2.00 p.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 the financial statements of the Company for the year ended on March 31, 2018 including the Audited Balance Sheet as at 31st March, 2018 and the Statement of Profit & Loss Account and Cash flow statement for the year ended on March 31, 2018 and the reports of the Board of 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.

### **Regd. Office:**

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

**PLACE : AHMEDABAD**

**DATE : 13.08.2018**

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

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

### **NOTES :**

1. **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 HOURS) 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.
2. **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.**
3. 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.
4. 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.
5. 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.
6. 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.
7. 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.
8. 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).

## MERIT CREDIT CORPORATION LIMITED

9. 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.
10. The Register of Members and Share Transfer Books of the Company will remain closed from 20th September, 2018 to 27th September, 2018 (Both days Inclusive).
11. The Members whose names appear on the Company's Register of Members as on Friday, 21st September, 2018 ("cut-off date") will be eligible to attend and vote at the Meeting.
12. 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.
13. **MEMBERS HOLDING SHARES IN PHYSICAL FORMS ARE REQUESTED TO AVAIL DEMATERIALIZATION FACILITY.**
14. Pursuant to Sections 101 and 136 of the Act read with the relevant Rules framed thereunder, the Annual Report for FY 2017-18 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 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 2017-18 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.
15. 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.
16. 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.
17. 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.
18. The Securities and Exchange Board of India ("SEBI") has mandated the submission of Permanent Account Number (PAN) by every participant in the 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").
19. Shareholders can register their complaints, if any, on an exclusive designated e-mail ID, [mccl\\_1987@yahoo.in](mailto:mccl_1987@yahoo.in)
20. The Company has appointed Mr. Ravi Kapoor, Practicing Company Secretary (Membership No. F2587) from M/s. Ravi Kapoor & Associates, to act as the Scrutinizer for conducting the electronic voting process in a fair and transparent manner.
21. The Scrutinizer's decision on the validity of the vote shall be final.
22. 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.
23. 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.
24. 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.
25. **INFORMATION AND INSTRUCTIONS RELATING TO E-VOTING:**
  - (i) The voting period begins on **24th September, 2018 at 09.00 A.M. (IST) and ends on 26th September, 2018 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 **21st September, 2018** 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.

## MERIT CREDIT CORPORATION LIMITED

- (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:

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <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.
- (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 : 13.08.2018**

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

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

## MERIT CREDIT CORPORATION LIMITED

### ANNEXURE

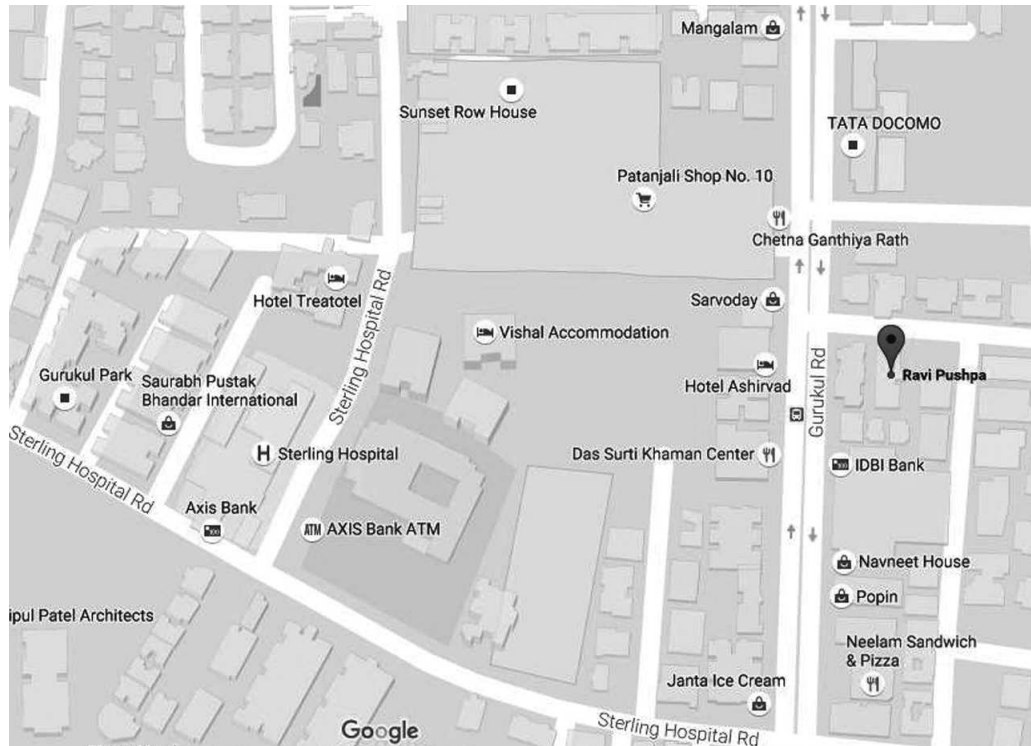
Information about Director Pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the details of the Directors eligible for the appointment and re-appointment are as follows:

<b>Name of the Director</b>	<b>Smt. Mrudulaben H. Patel</b>
<b>Director Identification Number (DIN)</b>	00226030
<b>Father's Name</b>	Shri Bhogilal Patel
<b>Date of Birth</b>	October 5, 1934
<b>Educational Qualifications</b>	Matriculation
<b>Experience/ Expertise</b>	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.
<b>Date of Appointment as Director</b>	01/03/1999
<b>Relationship with other directors</b>	None
<b>Directorship in listed entities (Other than Merit Credit Corporation Limited)</b>	Nil
<b>Committee membership in listed entities</b>	Member – Audit Committee Merit Credit Corporation Limited Member – Nomination & Remuneration Committee Merit Credit Corporation Limited Member – Investor's Grievance Committee Merit Credit Corporation Limited
<b>Shareholding (No. of equity shares)</b>	2,50,000 Shares

#### Route Map of Venue of the 31st 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 31st Annual Report together with audited accounts of the Company for the financial year ended on March 31, 2018 (F.Y 2017-18).

### **FINANCIAL RESULT:**

The summary of the Company's financial performance, on a standalone basis for F.Y. 2017-18 compared to previous F.Y. 2016-17 is given below:

(Amount in Rs.)

Particulars	Current Financial Year 2017-18	Previous Financial Year 2016-17
Revenue from Operations and Other Income	98,442,518	58,660,695
Profit/(Loss) before Extraordinary Items and Tax	47,904,008	3,002,952
Less: Current Tax	-	1,043,642
Add : MAT Credit of Current Year	-	-
Add : MAT Credit of Earlier Year	640,219	(388,410)
Add: Earlier Years Tax & Deferred Tax	(282,594)	99,825
Profit / (Loss) after tax	48,261,633	1,670,725
Balance brought forward from previous year	10,163,995	8,885,132
Profit available for appropriation	58,425,628	10,555,857
<b>APPROPRIATIONS</b>		
Interim Equity Dividend	0	0
Proposed Final Equity Dividend	0	0
Tax on Equity Dividends	0	0
Previous Year Tax on Dividends	0	0
Transfer to General Reserve	0	0
Transfer to Statutory Reserve	9,652,327	391,862
Surplus carried to the next year's account	48,773,301	10,163,995

### **REVIEW OF BUSINESS OPERATIONS AND FUTURE PROSPECTUS:**

During the year under review, the Company recorded total income of Rs. 98,442,518/- against Rs. 58,660,695/- in the previous year. Further, the Net profit of the Company has tremendously increased to Rs. 48,261,633/- for the year under review as against previous year's Net profit of only Rs. 1,670,725/-. Looking to the current progress, your Directors are hopeful for even 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 Rs. 9,652,327/- 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.



## MERIT CREDIT CORPORATION LIMITED

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

The Company has adequate systems of internal control procedures which is commensurate with the 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.

### 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.

### 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.

### 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).

## MERIT CREDIT CORPORATION LIMITED

### BOARD MEETINGS:

There were 16 Board Meetings held during the financial year 2017-18 and the details of the date of board meetings are as mentioned below:

Sr. No.	Date	Sr. No.	Date	Sr. No.	Date	Sr. No.	Date
1	10/04/2017	6	08/07/2017	11	03/11/2017	16	01/02/2018
2	18/04/2017	7	28/07/2017	12	14/11/2017	-	-
3	27/04/2017	8	11/08/2017	13	18/11/2017	-	-
4	24/05/2017	9	21/09/2017	14	08/01/2018	-	-
5	28/06/2017	10	14/10/2017	15	25/01/2018	-	-

During the year one meeting of Independent Directors was held on 11.08.2017.

### COMMITTEE MEETINGS:

#### 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 2017-18 are as mentioned below:

Sr. No.	Date	Sr. No.	Date
1.	24/05/2017	4.	01/02/2018
2.	11/08/2017	-	-
3.	14/11/2017	-	-

#### 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 2017-18 are as mentioned below:

Sr. No.	Date	Sr. No.	Date
1.	10/04/2017	3.	14/10/2017
2.	08/07/2017	4.	08/01/2018

#### 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 27/04/2017 and 11/08/2017 during the financial year 2017-18.

### AUDITORS:

#### Statutory Auditors:

M/s. Talati & Talati, Chartered Accountants, Ahmedabad (Firm Registration No. 110758W), be and are hereby ratified as Statutory Auditors of the Company to hold office from conclusion of this Annual General Meeting till the conclusion of the 35th Annual General Meeting subject to approval of statutory authorities as may be required and ratification at every annual general meeting, on such remuneration as may be approved by the Audit Committee of the Board.

However, Ministry of Corporate Affairs, vide its Notification dated 7th May, 2018 amended provisions of Rule 3(7) of Companies (Audit and Auditors) Rules, 2014 and accordingly, provisions of requirement of ratification of appointment of auditor at every general meeting is dispensed with. Therefore, at the ensuing general meeting members are not required to ratify Auditor's appointment and M/s. Talati & Talati, Chartered Accountants (Firm Registration No.110758W) will continue to act as Statutory Auditors of the Company till the financial year 2021-22.

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

There have been no frauds reported during the Financial Year ended March 31, 2018.

## MERIT CREDIT CORPORATION LIMITED

### 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 2017-18.

### 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 2017-18. The Report of the Secretarial Audit for the financial year ended March 31, 2018 is annexed to this Report.

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

#### Statutory Auditor's Report:

The Statutory Auditor has raised query in his Auditors' Report and has given a qualified opinion for non provision of gratuity and leave encashment. Note no. 26 of the notes attached to financial statements states that the Company has not made any provision for gratuity and leave encashment. However, the Company wishes to clarify for this, that the 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.

### 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 : Rs. Nil.

Foreign Exchange Outgo : Rs. 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.	<b>Name of Director</b>	<b>Designation</b>	<b>Ratio to median remuneration of the Employees</b>
	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			

## MERIT CREDIT CORPORATION LIMITED

(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 - Applicable** CS - Applicable*** * No Remuneration paid by the Company to any Directors and CEO of the Company; ** In the Previous Financial year (i.e. 2016-17) remuneration paid to Mr. Bipin H. Gandhi (Chief Financial Officer) was Rs. 2,80,800/- and during the financial year (i.e. 2017-18) remuneration paid to Mr. Bipin H. Gandhi from 01.04.2017 to 31.03.2018 was Rs. 4,69,200/-. Hence, Percentage increase in remuneration is 11.39% *** In the Previous year (i.e. 2016-17) remuneration paid to Mr. Bhavesh Thakkar (Company Secretary) from 01.08.2016 to 31.03.2017 was Rs. 1,43,419/- and during the financial year (i.e. 2017-18) from 01.04.2017 to 31.03.2018 was Rs. 2,20,000/-. However, Mr. Bhavesh Thakkar has resigned from Company Secretaryship from 27.02.2017 and Ms. Kruti S. Vyas is appointed for the post of Company Secretary w.e.f. 05.03.2018. However, the Percentage increase in remuneration of Mr. Bhavesh Thakkar (CS) was 11.11%
(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 salary of employees other than the managerial personnel in the last financial year was Nil
(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.

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 Rs. 10.00 Crores (Rupees Ten Crores) and net worth not exceeding Rs. 25.00 Crores (Twenty Five 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 Reserve Bank of India Act, 1934.

## MERIT CREDIT CORPORATION LIMITED

### 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 recognized 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 benefit 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.

#### - 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.

## MERIT CREDIT CORPORATION LIMITED

- **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 the Metropolitan Stock Exchange of India Limited w.e.f. October 19, 2016, vide circular no. MSEI/LIST/4603/2016 dated 14th October, 2016.

**DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:**

During the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

**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 : 13.08.2018**

**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

Form No. MGT-9

## EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31/03/2018

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) 27471946		
viii)	<b>Email Address</b>	mccl_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	64990	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-2017]				No. of Shares held at the end of the year [As on 31-March-2018]				% 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	0	490500	8.18	490500	0	490500	8.18	0.00
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	1877100	0	1877100	31.29	1877100	0	1877100	31.29	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	3288625	290900	3579525	59.66	3579525	-	3579525	59.66	0.00
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	9875	10000	19875	0.33	19875	-	19875	0.33	0.00
ii) Individual shareholders holding nominal share capital in excess of ₹1 lakh	0	33000	33000	0.55	33000	-	33000	0.55	0.00
c)Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	3298500	333900	3632400	60.54	3632400	0	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>3632400</b>	<b>0</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>6000000</b>	<b>0</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 [01/04/2017]			Share holding at the end of the year [31/03/2018]			% of 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 [01/04/2017]		Cumulative Shareholding during the year	
		No. of Shares	% of Total Shares of the Company	No. of shares	% of total shares of the Company
1.	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 [01/04/2017]		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 01/04/2017	1016900	16.95	1016900	16.95
	Date-wise increase/(decrease):	0	0	1016900	16.95
	At the end of the year 31/03/2018	1016900	16.95	1016900	16.95
2.	Sterling Strands Private Limited				
	At the beginning of the year 01/04/2017	998000	16.63	998000	16.63
	Date-wise increase/(decrease)	0	0	998000	16.63
	At the end of the year 31/03/2018	998000	16.63	998000	16.63
3.	Aalyya Traders Private Limited				
	At the beginning of the year 01/04/2017	0	0	0	0
	Date-wise increase/(decrease): Purchase From April 01, 2017 to March 31, 2018	200000	3.33	200000	3.33
	At the end of the year 31/03/2018	200000	3.33	200000	3.33
4.	Sanguine Media Limited				
	At the beginning of the year 01/04/2017	200000	3.33	200000	3.33
	Date-wise increase/(decrease)	0	0	200000	3.33
	At the end of the year 31/03/2018	200000	3.33	200000	3.33

**MERIT CREDIT CORPORATION LIMITED**

Sr. No.	Name of Shareholders	Shareholding at the beginning of the year [01/04/2017]		Cumulative Shareholding during the year	
		No. of shares	% of Total Shares of the Company	No. of shares	% of total shares of the Company
5.	<b>Yantra Natural Resources Limited</b>				
	At the beginning of the year 01/04/2017	0	0	0	0
	Date-wise increase/(decrease)	200000	3.33	200000	3.33
	At the end of the year 31/03/2018	200000	3.33	200000	3.33
6.	<b>Ethan Constructions Private Limited</b>				
	At the beginning of the year 01/04/2017	0	0	0	0
	Date-wise increase/(decrease): Purchase From April 01, 2017 to March 31, 2018	200000	3.33	200000	3.33
	At the end of the year 31/03/2018	200000	3.33	200000	3.33
7.	<b>Dindayal Processors Private Limited</b>				
	At the beginning of the year 01/04/2017	150000	2.50	150000	2.50
	Date-wise increase/(decrease): Purchase From April 01, 2017 to March 31, 2018	10000	10000	160000	2.67
	At the end of the year 31/03/2018	160000	2.67	160000	2.67
8.	<b>Vishal Fabrics Private Limited</b>				
	At the beginning of the year 01/04/2017	145000	2.42	145000	2.42
	Date-wise increase/(decrease)	0	0	145000	2.42
	At the end of the year 31/03/2018	145000	2.42	145000	2.42
9.	<b>Bhavna Textiles Private Limited</b>				
	At the beginning of the year 01/04/2017	135900	2.27	135900	2.27
	Date-wise increase/(decrease)	0	0	135900	2.27
	At the end of the year 31/03/2018	135900	2.27	135900	2.27
10.	<b>Chiripal Industries Limited</b>				
	At the beginning of the year 01/04/2017	150000	2.50	150000	2.50
	Date-wise increase/(decrease): Purchase From April 01, 2017 to March 31, 2018	0	0	150000	2.50
	At the end of the year 31/03/2018	150000	2.50	150000	2.50
11.	<b>Aadhar Venture India Limited</b>				
	At the beginning of the year 01/04/2017	200000	3.33	200000	3.333
	Date-wise increase/(decrease): Sell From April 01, 2017 to March 31, 2018	200000	3.33	0	0
	At the end of the year 31/03/2018	0	0	0	0
10.	<b>Secunderabad Healthcare Limited</b>				
	At the beginning of the year 01/04/2017	200000	3.33	200000	3.333
	Date-wise increase/(decrease): Sell From April 01, 2017 to March 31, 2018	200000	3.33	0	0
	At the end of the year 31/03/2018	0	0	0	0

**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 [01/04/2017]		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 [01/04/2017]		Cumulative Shareholding during the year	
		No. of shares	% of Total Shares of the Company	No of shares	% of total shares of the Company
<b>3.</b>	<b>Bhikhu 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
<b>4.</b>	<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
<b>5.</b>	<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
<b>6.</b>	<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	0	0	0	0
<b>7.</b>	<b>Kruti S. Vyas- 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	0	0	0	0

**5. INDEBTEDNESS:**

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

(Amount in Rupees)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	1,710	20,07,76,274	0	20,07,77,984
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>1,710</b>	<b>20,07,76,274</b>	<b>0</b>	<b>20,07,77,984</b>
<b>Change in Indebtedness during the financial year</b>				
Addition	99,99,332	1,22,30,552	0	2,22,29,884
Reduction	1,253	0	0	1,253
<b>Net Change</b>	<b>99,98,079</b>	<b>1,22,30,552</b>	<b>0</b>	<b>2,22,28,631</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	99,99,789	21,30,06,826	0	22,30,06,615
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>99,99,789</b>	<b>21,30,06,826</b>	<b>0</b>	<b>22,30,06,615</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	<b>Independent Directors</b>	<b>Shri Hardik G. Trivedi</b>	<b>Shri Bhikhu I. Patel</b>	
	Fee for attending board meetings	-	-	-
	Fee for attending committee meetings	-	-	-
	Commission	-	-	-
	Others, please specify (Remuneration)	-	-	-
	Total (1)	0	0	0
2	<b>Other Non-Executive Directors</b>	<b>Smt. Mrudula H. Patel</b>		
	Fee for attending board meetings	-	-	-
	Fee for attending committee meetings	-	-	-
	Commission	-	-	-
	Others, please specify	-	-	-
	Total (2)	0	0	0
	<b>Total (B)=(1+2)</b>	0	0	0
	Total Managerial Remuneration	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	CS	CFO	Total
			Mr. Bhavesh Thakkar	Ms. Kruti Vyas		
1	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	2.20	0.17	4.69	7.06
	(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	2.37	0.17	4.69	7.06

### 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 : 13.08.2018

MRUDULA H. PATEL  
(CHAIRPERSON)  
DIN: 00226030

# MERIT CREDIT CORPORATION LIMITED

## Form No. MR-3

### SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st March, 2018

[Pursuant to section 204(1) of the Companies Act, 2013 and rule 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 the "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 31st March, 2018 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 31st March, 2018 according to the provisions of:

- (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, 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;
  - (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.



## 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 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 : 13/08/2018**

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 : 13/08/2018**

## 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 31st March, 2018, the Statement of Profit and Loss, the 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 of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial 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 the 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 statements 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 the 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.

#### Basis of Qualified Opinion:

We draw your attention to Note no. 26 of the notes to financial statements regarding non provision of gratuity and leave encashment, which is a departure from AS 15 "Employee Benefits". 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.

#### Qualified Opinion:

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph above, 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, of the state of affairs of the Company as at 31st March, 2018, and its profit and its cash flows for the year ended on that date.

#### Report on Other Legal and Regulatory Requirements

- As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section(11) of section 143 of the Companies Act, 2013, we give in the "Annexure - A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- As required by Section 143 (3) of the Act, we report that:
  - 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) Except for the effects of the matter described in the Basis for Qualified Opinion paragraph above, 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) Except for the effects of the matter described in the Basis for Qualified Opinion paragraph above, in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure -B".
- (g) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above.
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - (i) The Company has pending litigations which would impact its financial position as given in Note-27.
  - (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**For Talati & Talati**  
**Chartered Accountants**  
**(Firm Regn No.: 110758W)**

**Anand Sharma**  
(Partner)  
Membership No: 129033

Place of Signature: Ahmedabad  
Date: 29.05.2018

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### ANNEXURE-A TO INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date.)

- (i) 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 explained to us, majority of the fixed assets have been physically verified by the management during the year and there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. 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.
- (ii) The Company being Non-Banking Financial Company and is dealing in shares and securities, hence Para 3 clause (ii) of CARO is not applicable.
- (iii) During the year the Company has not given any loans secured or unsecured to the companies, firms, LLP 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.
- (iv) 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.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposit and hence the 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
- (vi) The Central Government has not prescribed maintenance of cost records under section 148(1) of the Companies Act, 2013 for Non-Banking Financial Companies. Hence the provisions of this clause is not applicable to the company.

## MERIT CREDIT CORPORATION LIMITED

(vii) In respect of statutory dues:

- (a) According to the records of the Company, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other statutory dues applicable to it. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid statutory dues were in arrears as at 31st March, 2017 for a period of more than six months from the date they became payable.
- (b) The disputed statutory dues aggregating to Rs. 5,45,83,570 that have not been deposited on account of disputed matters pending before appropriate authority as under:

Name of Statute	Nature of Dues	Amt. under dispute not yet deposited as on 31st March, 2018	Periods to which the amount relates (F.Y.)	Forum where the dispute is pending
Income Tax Act, 1961	Income tax (including interest and penalty as applicable)	5,45,83,570	2012-13	CIT (Appeals)
<b>Total</b>		<b>5,45,83,570</b>		

Note: The amounts disclosed are net of payments and include interest and penalties, wherever applicable.

- (viii) Based on our audit procedures and on the basis of information and explanations given to us by the management, we are of the opinion that the company has not defaulted in repayment of dues to the financial institution, banks, Government or debenture holders.
- (ix) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year under audit. According to the information and explanations given to us, the Company has not raised any term loan during the year under audit.
- (x) Based on the audit procedures performed and representation obtained from management we report that, no case of material fraud by the Company or on the Company by its officer or employee has been noticed or reported for the year under audit.
- (xi) Based on our audit procedures and on the basis of information and explanations given to us by the management, managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.
- (xii) 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.
- (xiii) Based on our audit procedures and on the basis of information and explanations given to us by the management, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements, as required by the applicable accounting standards;
- (xiv) Based on our audit procedures and on the basis of information and explanations given to us by the management, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Therefore, the provisions of clause (xiv) of paragraph 3 of the Order are not applicable to the company.
- (xv) Based on our audit procedures and on the basis of information and explanations given to us by the management, the company has not entered into any non-cash transactions with directors or persons connected with him.
- (xvi) The Company is already registered under section 45-IA of the Reserve Bank of India Act, 1934.

**For Talati & Talati**  
**Chartered Accountants**  
**(Firm Regn No.: 110758W)**

**Anand Sharma**  
(Partner)  
Membership No: 129033

Place of Signature: Ahmedabad  
Date: 29.05.2018

## MERIT CREDIT CORPORATION LIMITED

### ANNEXURE B TO INDEPENDENT AUDITOR'S REPORT

(Referred to in Paragraph 2(f) under the heading of "Report on other legal and Regulatory Requirements" of our report of even dated)

#### 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 at March 31, 2018 in conjunction with our audit of Financial Statements of the Company for the year ended on that date.

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

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

#### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

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

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with 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

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

#### Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, 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.

**For Talati & Talati**  
**Chartered Accountants**  
**(Firm Regn No.: 110758W)**

**Anand Sharma**  
(Partner)  
Membership No: 129033

Place of Signature: Ahmedabad  
Date: 29.05.2018

**MERIT CREDIT CORPORATION LIMITED**  
**CIN:L65910GJ1987PLC009699**  
**BALANCE SHEET AS ON 31ST MARCH, 2018**

(IN RUPEES)

S.N	PARTICULARS	NOTE NO.	As at 31.03.2018	As at 31.03.2017
<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	138,306,549	90,044,916
<b>2</b>	<b>Non Current Liabilities</b>			
	(a) Deferred tax liabilities(net)	4	80,183	882
<b>3</b>	<b>Current Liabilities</b>			
	(a) Short-Term Borrowing	5	223,006,615	200,777,984
	(b) Trade Payable	6	159,049	47,772
	(c) Other Current Laibility	7	61,619,083	3,670,948
	(d) Short Term Provision	8	254,431	534,534
	<b>TOTAL</b>		<b>483,425,910</b>	<b>355,077,036</b>
<b>ASSETS</b>				
<b>4</b>	<b>Non-Current Assets</b>			
	(a) Property, Plant and Equipments	9	5,655,247	1,960,673
	(b) Intangible Assets	10	86,488	37,683
	(c) Non-Current Investments	11	6,750,000	6,750,000
	(d) Long Term Loans & Advances	12	39,500	57,500
	(e) Other Non-Current Asset	13	100,000	-
<b>5</b>	<b>Current Assets</b>			
	(a) Current Investments	14	86,227,500	-
	(b) Inventories	15	262,282,581	59,248,432
	(c) Cash & Bank Balances	16	726,866	42,643,090
	(d) Short-Term Loans & Advances	17	121,489,551	238,916,698
	(e) Other Current Assets	18	68,177	5,462,960
	<b>TOTAL</b>		<b>483,425,910</b>	<b>355,077,036</b>

The accompanying notes from 1 to 34 are an integral part of these Financial Statements.

In Accordance with our Report attached

**For Talati & Talati**

Chartered Accountants  
(Firm Reg No: 110758W)

**Anand Sharma**

Partner  
Mem. No. 129033

**Place : Ahmedabad**

**Date : 29.05.2018**

**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

**(Kruti S. Vyas)**  
Company Secretary

**MERIT CREDIT CORPORATION LIMITED**  
CIN:L65910GJ1987PLC009699

**STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED ON 31ST MARCH, 2018**

(IN RUPEES)

Sr. No.	PARTICULARS	NOTE NO.	Year ended on 31.03.2018	Year ended on 31.03.2017
I	Revenue From Operations	19	66,489,535	58,647,230
II	Other Income	20	31,952,983	13,465
III	<b>TOTAL REVENUE</b>		<b>98,442,518</b>	<b>58,660,695</b>
IV	<b>EXPENSES:</b>			
a	Employee Expenses	21	2,295,548	1,433,629
b	Finance Costs	22	45,770,436	51,088,190
c	Depreciation & Amortization	23	717,986	706,585
d	Other Expenses	24	1,754,540	2,429,339
	<b>TOTAL EXPENSES</b>		<b>50,538,510</b>	<b>55,657,743</b>
V	<b>Profit Before Tax ( III-IV)</b>		<b>47,904,008</b>	<b>3,002,952</b>
VI	<b>Tax Expense:</b>			
a	Current Tax (-)		-	1,043,642
b	MAT credit earlier years		(640,219)	388,410
c	Earlier Years Tax / Excess Provision of Tax		203,293	-
d	Deferred Tax		79,301	(99,825)
VII	<b>Total Tax Expenses (a+b+c+d)</b>		<b>(357,625)</b>	<b>1,332,227</b>
VIII	<b>Profit for the Period (V-VII)</b>		<b>48,261,633</b>	<b>1,670,725</b>
IX	<b>Earning Per Share</b>			
a	Basic		8.04	0.28
b	Diluted		8.04	0.28

The accompanying notes from 1 to 34 are an integral part of these Financial Statements.

In Accordance with our Report attached

**For Talati & Talati**  
Chartered Accountants  
(Firm Reg No: 110758W)

**Anand Sharma**  
Partner  
Mem. No. 129033

**Place : Ahmedabad**  
**Date : 29.05.2018**

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

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**(Kruti S. Vyas)**  
Company Secretary

**MERIT CREDIT CORPORATION LIMITED**  
CIN:L65910GJ1987PLC009699

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2018**

PARTICULARS	(In Rupees)	
	For the year ended 31st March, 2018	For the year ended 31st March, 2017
<b>A) CASH FLOWS FROM OPERATING ACTIVITIES</b>		
NET PROFIT/ (LOSS) BEFORE TAX	47,904,008	3,002,952
<b>Add :</b>		
Depreciation and Amortisation expense	717,986	706,585
Provision for Standard Assets	(280,103)	90,676
Interest Expense	45,770,436	51,088,190
<b>Less :</b>		
Interest Income on FDR	1,262,662	2,544,190
Profit on Sale of Fixed Asset	1,468	-
<b>Operating Profit Before Working Capital Changes</b>	<b>92,848,197</b>	<b>52,344,213</b>
<b>(Increase) / Decrease in Current Assets</b>		
Changes in Inventories	(203,034,149)	(58,606,029)
Changes in Short term Loan & Advances	117,427,147	(42,654,662)
Changes in Other Current Assets	5,394,783	(2,289,962)
Security Deposits	18,000	(34,000)
<b>Increase / (Decrease) in Current Liabilities</b>		
Changes in Trade and Other Payables	58,059,413	211,617
<b>Cash Generated From Operations</b>	<b>70,713,391</b>	<b>(51,028,823)</b>
Direct Taxes Paid	436,925	(1,432,052)
<b>NET CASH INFLOW / (OUTFLOW) FROM OPERATING ACTIVITIES (A)</b>	<b>71,150,316</b>	<b>(52,460,875)</b>
<b>B) CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest Income on FDR	1,262,662	2,544,190
Purchase of Fixed Assets	(4,539,897)	(396,759)
Proceeds from Sale of Investments	24,124,446	-
Proceeds from Sale of Fixed Assets	80,000	-
Purchase of Investments	(86,327,500)	-
<b>NET CASH INFLOW / (OUTFLOW) FROM INVESTING ACTIVITIES (B)</b>	<b>(65,400,289)</b>	<b>2,147,431</b>
<b>C) CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from Secured and Unsecured Loans	22,228,631	118,823,875
Interest Expense	(45,770,436)	(51,088,190)
<b>NET CASH INFLOW / (OUTFLOW) FROM FINANCING ACTIVITIES (C)</b>	<b>(23,541,805)</b>	<b>67,735,685</b>
<b>Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)</b>	<b>(17,791,778)</b>	<b>17,422,241</b>
<b>Add : Cash and Cash Equivalents as at 1st April</b>	<b>18,518,644</b>	<b>1,096,403</b>
<b>Cash and Cash Equivalents as at 31st March</b>	<b>726,866</b>	<b>18,518,644</b>
<b>Cash and Cash Equivalents Comprise :</b>		
<b>Cash and Bank Balances</b>	<b>726,866</b>	<b>18,518,644</b>

The accompanying notes from 1 to 34 are an integral part of these Financial Statements

In Accordance with our Report attached

**For Talati & Talati**  
Chartered Accountants  
(Firm Reg No: 110758W)

**Anand Sharma**  
Partner  
Mem. No. 129033

**Place : Ahmedabad**  
**Date : 29.05.2018**

**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

**(Kruti S. Vyas)**  
Company Secretary



## MERIT CREDIT CORPORATION LIMITED

### Notes to financial statement for the year ended 31st March 2018

#### Note 1. (A)

- **Basis of Accounting:**

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. These financial statements have been prepared to comply in all material aspects with the Accounting Standards specified under section 133 of the Companies Act, 2013, read with rule 7 of the Companies (Accounts) Rules, 2014 and the relevant Provisions of the Companies Act, 2013 ("the Act"). All assets and liabilities have been classified as current or non-current as per the company's normal operating cycle and other criteria set out in the Schedule III to the 2013 Act.

- **Use of Estimates:**

The Presentation of the Financial Statements In conformity with the General Accepted Accounting Policies require, the management to make estimates and assumptions that affects the reported amount of assets and liabilities on the date of Financial Statements and the reported amount of revenues and expenses during the reporting period and disclosure of contingent liabilities. Such Estimation and assumptions are based on management's evaluation of relevant facts and circumstances as on date of Financial Statements. Difference between the actual results and estimates are recognized in the period in which the results are known/materialized.

#### (B) Significant Accounting Policies:

##### 1.1 Inventory Valuation:

Inventory of Shares & Securities is valued at lower of cost and fair value category wise. Cost is determined on FIFO basis.

##### 1.2 Property, Plants and Equipment:

Property, Plants and Equipment acquired by the company are stated at acquisition value less accumulated depreciation/amortization and impairment loss if any. The acquisition value includes purchase price and the expenses directly attributable to assets to bring it to present location.

##### 1.3 Depreciation:

Depreciation on all Property, Plants and Equipment has been provided on Straight Line Method based on the useful life provided in Schedule II of the Companies Act, 2013. In case of Assets acquired during the year Depreciation is provided on pro-rata basis.

##### 1.4 Revenue Recognition:

Income is recognized when there is reasonable certainty of its ultimate realization / collection.

All income is accounted on accrual basis except dividend, which is accounted on receipt basis.

##### 1.5 Employees' Benefits:

###### 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.

##### 1.6 Provisions, Contingent liability and Contingent assets:

A provision is recognized when the Company has a present legal obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. Provisions (excluding long term benefits) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognized but are disclosed in the notes to the financial statements. A contingent asset is neither recognized nor disclosed.

##### 1.7 Taxes on Income:

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.

Deferred tax is recognized on timing differences being the difference between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets are not recognized on unabsorbed depreciation and carried forward of losses unless there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

MAT credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the Minimum Alternate tax (MAT) credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in guidance note issued by the Institute of Chartered Accountants of India, the said asset

## MERIT CREDIT CORPORATION LIMITED

is created by way of a credit to the profit and loss account and shown as MAT Credit Entitlement. The Company reviews the same at each balance sheet date and write down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal Income tax during the specified period.

### 1.8 Investments:

Investments are classified as long term & current investments. Long term investments are valued at cost less provision for diminution other than temporary, in value, if any. Current investments are valued at cost or fair value whichever is lower.

### 1.9 Earnings per Share:

Basic earning per share is calculated by dividing the net profit after tax for the year attributable to Equity Shareholders of the Company by the weighted average number of Equity Shares outstanding during the year. Diluted earnings per share is calculated by dividing net profit attributable to Equity Shareholders (after adjustment for diluted earnings) by average number of weighted Equity Shares outstanding during the year.

### 1.10 Impairment of Assets:

The carrying value of assets of the Company's cash generating units are reviewed for impairment annually or more often if there is an indication of decline in value. If any indication of such impairment exists, the recoverable amounts of those assets are estimated and impairment loss is recognized, if the carrying amount of those assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use, Value in use is arrived at by discounting the estimated future cash flows to their Present value based on appropriate discount factor. Net selling price is the estimated selling price in the ordinary course of business, less estimated cost of completion and to make the sales.

### 1.11 Cash Flow Statement:

The Cash Flow Statement is prepared by the "indirect method" set out in Accounting Standard 3 on "Cash Flow Statements" and presents the cash flows by operating, investing and financing activities of the Company.

Cash and cash equivalents presented in the Cash Flow Statements consist of cash on hand and deposits with banks.

**MERIT CREDIT CORPORATION LIMITED**

**NOTES TO AND FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2018**

(In Rupees)

NOTE NO.	PARTICULARS			As at 31.03.2018	As at 31.03.2017
<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 31.03.2018</b>		<b>As at 31.03.2017</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 Rs.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.			
<b>c</b>	<b>Details of shareholders holding more than 5% shares in the Company</b>	<b>As at 31.03.2018</b>		<b>As at 31.03.2017</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%	1016900	16.95%
	Sterling Stands Pvt Ltd	998000	16.63%	998000	16.63%
	Merit Finance & Leasing Pvt. Ltd	852700	14.21%	852700	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 )			7,633,102	7,241,240
	Add: During the year			17,285,429	7,633,102
				9,652,327	391,862
				<b>17,285,429</b>	<b>7,633,102</b>
<b>d</b>	<b>Surplus in Statement of Profit &amp; Loss Account:</b>				
	As per beginning of reporting period			10,163,995	8,885,132
	Add: Transferred from Profit & Loss Account			48,261,633	1,670,725
	Less: Trnsfer to Reserve fund in terms of section 45IC (1) of the RBI Act, 1934			(9,652,327)	(391,862)
	Less: Trnsfer to General Reserve			-	-
	<b>As the end of reporting period</b>			<b>48,773,301</b>	<b>10,163,995</b>
	<b>Total (a+b+c+d)</b>			<b>138,306,549</b>	<b>90,044,916</b>

**MERIT CREDIT CORPORATION LIMITED**

(In Rupees)

NOTE NO.	PARTICULARS	As at 31.03.2018	As at 31.03.2017
<b>4</b>	<b>DEFERRED TAX LIABILITY</b>		
	Gross Defered Tax Liability	882	100,707
	Property, Plant and Equipments: Impact of difference between tax depreciation and depreciation charged for the financial reporting	79,301	(99,825)
	<b>Net Deferred Tax Liability</b>	<b>80,183</b>	<b>882</b>
<b>5</b>	<b>SHORT TERM BORROWINGS</b>		
a	<b>Secured</b>		
i	<b>From Banks</b>		
	(Secured by pledge of Fixed Deposit Receipts. Loan is repayable on demand)	457	1,710
ii	Inter-Corporate Deposits (Secured against Shares & Security) (Secured against Shares & Securities)	9,999,332	-
b	<b>Un Secured</b>		
	<b>Loans and Advances-Payable on Demand</b>		
	From Companies	213,006,826	200,776,274
	<b>Total</b>	<b>223,006,615</b>	<b>200,777,984</b>
<b>6</b>	<b>TRADE PAYABLE</b>		
	Creditors for Expenses	159,049	47,772
	<b>Total</b>	<b>159,049</b>	<b>47,772</b>
<b>7</b>	<b>OTHER CURRENT LIABILITIES</b>		
a	Balance with Axis Bank	57,304,552	-
	Other Payables		
b	Statutory Dues	4,314,531	3,670,948
	<b>Total</b>	<b>61,619,083</b>	<b>3,670,948</b>
<b>8</b>	<b>SHROT TERM PROVISION</b>		
	Contigent Provisions against Standard Assets	254,431	534,534
	<b>Total</b>	<b>254,431</b>	<b>534,534</b>

**Note - 9**

Particulars	Property, Plant and Equipments					Intangible Assets		
	Furniture	Vehicles	Office Equipment	Computers	Total (A)	Tally Software	Sonic Wall	Total (B)
Cost of assets								
<b>As at 1 April 2016</b>	16,000	3,671,066	368,751	744,214	4,800,031	51,000	-	51,000
Additions	204,919	-	62,940	128,900	396,759	-	-	-
Disposal / Adjustment	-	-	-	-	-	-	-	-
<b>As at 31 March 2017</b>	<b>220,919</b>	<b>3,671,066</b>	<b>431,691</b>	<b>873,114</b>	<b>5,196,790</b>	<b>51,000</b>	<b>-</b>	<b>51,000</b>
Additions	-	4,313,176	137,176	14,600	4,464,952	-	74,945	74,945
Disposal / Adjustment	-	545,432	-	-	545,432	-	-	-
<b>As at 31 March 2018</b>	<b>220,919</b>	<b>7,438,810</b>	<b>568,867</b>	<b>887,714</b>	<b>9,116,310</b>	<b>51,000</b>	<b>74,945</b>	<b>125,945</b>
Depreciation Fund								
<b>As at 1 April 2016</b>	15,200	1,879,309	70,082	570,324	2,534,915	7,933	-	7,933
Charge for the year	13,535	538,382	53,675	95,610	701,202	5,383	-	5,383
Disposal / Adjustment	-	-	-	-	-	-	-	-
<b>As at 31 March 2017</b>	<b>28,735</b>	<b>2,417,691</b>	<b>123,757</b>	<b>665,934</b>	<b>3,236,117</b>	<b>13,317</b>	<b>-</b>	<b>13,317</b>
Charge for the year	19,540	569,380	55,598	47,328	691,846	5,594	20,546	26,140
Disposal / Adjustment	-	466,900	-	-	466,900	-	-	-
<b>As at 31 March 2018</b>	<b>48,275</b>	<b>2,520,171</b>	<b>179,355</b>	<b>713,262</b>	<b>3,461,063</b>	<b>18,911</b>	<b>20,546</b>	<b>39,457</b>
Net Block								
<b>As at 31 March 2017</b>	192,184	1,253,375	307,934	207,180	1,960,673	37,683	-	37,683
<b>As at 31 March 2018</b>	172,644	4,918,639	389,512	174,452	5,655,247	32,089	54,399	86,488

## MERIT CREDIT CORPORATION LIMITED

(In Rupees)

NOTE	PARTICULARS	No. of Shares		As at	
		2017-18	2016-17	31.03.2018	31.03.2017
<b>10</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>11</b>	<b>LONG TERM LOANS &amp; ADVANCES</b>				
	(Unsecured considered good, unless otherwise states)				
	a Security Deposits			39,500	57,500
	Total			<b>39,500</b>	<b>57,500</b>
<b>12</b>	<b>OTHER NON-CURRENT ASSETS</b>				
	a Fixed Deposits (more than 12 months)			100,000	-
	Total			<b>100,000</b>	-
<b>13</b>	<b>CURRENT INVESTMENTS</b>				
	Investments in Equity Instruments ( Quoted)			86,227,500	-
	Bandhan Bank Ltd. (FV Rs. 10) ( MV Rs. 469.05)				
	Total			<b>86,227,500</b>	-
<b>14</b>	<b>INVENTORIES</b>				
	(Inventories as taken, valued and certified by the management)				
	(Valued at lower of cost or net realizable value)				
	<b>Stock in trade:</b>				
	a Equity Shares			196,770,593	59,243,432
	b Mutual Funds			65,511,988	5,000
	Total			<b>262,282,581</b>	<b>59,248,432</b>
<b>15</b>	<b>CASH &amp; CASH EQUIVALENTS</b>				
	a Balance with Banks				
	In Current Accounts			523,497	18,102,052
	b Cash On Hand			203,369	416,592
				726,866	18,518,644
	c Other Bank Balance				
	Fixed Deposit (Less than 12 months)			-	24,124,446
	Fixed Deposits (more than 12 months)			100,000	-
				100,000	24,124,446
	Less: More than 12 months transferred to Non-Current Assets			100,000	-
	Less: Accrued Interest On FD Less Than 12 Months			-	-
	Total Fixed Deposits			-	24,124,446
	Total			<b>726,866</b>	<b>42,643,090</b>
<b>16</b>	<b>SHORT TERM LOANS &amp; ADVANCES</b>				
	(UNSECURED CONSIDERED GOOD UNLESS OTHERWISE STATED)				
	a Advance tax and advance TDS (Net of Provision)			22,715,588	18,191,215
	b Pre-paid expenses			21,136	27,882
	c MAT Credit Receivable			2,023,593	1,576,357
	d Loans and advances to others			96,729,234	219,121,244
	Total			<b>121,489,551</b>	<b>238,916,698</b>
<b>17</b>	<b>OTHER CURRENT ASSETS</b>				
	Interest accrued on Fixed Deposits			68,177	5,462,960
	Total			<b>68,177</b>	<b>5,462,960</b>

## MERIT CREDIT CORPORATION LIMITED

NOTES TO AND FORMING PART OF STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2018

(Amount In Rs.)

S.N	Particulars	Year Ended 31.03.2018	Year Ended 31.03.2017
<b>18</b>	<b>REVENUE FROM OPERATIONS</b>		
	Trading of Shares , Securities and Mutual Fund Units:		
<b>a</b>	<b>Trading of shares &amp; securities</b>		
	Sales	266,050,306	190,160,673
	Add: Closing Stock in Trade	262,282,582	59,248,432
		<b>528,332,888</b>	<b>249,409,105</b>
	Less: Opening Stock In Trade	59,248,432	642,403
	Purchase	504,905,209	225,619,280
		<b>564,153,641</b>	<b>226,261,683</b>
	<b>Total Profit / (Loss)</b>	<b>(35,820,753)</b>	<b>23,147,422</b>
	<b>Other Operations:</b>		
<b>b</b>	Profit / Loss on F&O Transactions (Net)	10,268,238	(24,218)
<b>c</b>	Dividend Income	49,290,408	-
<b>d</b>	Interest Income	42,751,642	35,524,026
	<b>Total Income from other operations</b>	<b>102,310,288</b>	<b>35,499,808</b>
	<b>Total</b>	<b>66,489,535</b>	<b>58,647,230</b>
<b>19</b>	<b>OTHER INCOME</b>		
<b>a</b>	Provision on Standard Assets Written Back	280,103	-
<b>b</b>	Interest on Income Tax Refund	259,712	-
<b>c</b>	Miscellaneous Income	-	13,465
<b>d</b>	Profit on sale of fixed Asset	1,468	-
<b>e</b>	Miscellaneous Balances written off	31,411,700	-
	<b>Total</b>	<b>31,952,983</b>	<b>13,465</b>
<b>20</b>	<b>EMPLOYEE BENEFITS EXPENSES</b>		
	Salaries & Allowances	2,295,548	1,433,629
	<b>Total</b>	<b>2,295,548</b>	<b>1,433,629</b>
<b>21</b>	<b>FINANCE COST</b>		
	Interest Expenses	45,770,436	51,088,190
	<b>Total</b>	<b>45,770,436</b>	<b>51,088,190</b>
<b>22</b>	<b>DEPRECIATION &amp; AMORTIZATION</b>		
<b>a</b>	Depreciation	691,846	701,202
<b>b</b>	Amortization	26,140	5,383
	<b>Total</b>	<b>717,986</b>	<b>706,585</b>

**MERIT CREDIT CORPORATION LIMITED**

(Amount In Rs.)

S.N	Particulars	Year Ended 31.03.2018	Year Ended 31.03.2017
<b>23 OTHER EXPENSES</b>			
a	Car Petrol & Repairing	239,371	240,390
b	Payment to Auditors:		
	Audit Fees	17,000	12,500
	Legal & Professional Fees	130,889	817,286
c	Rent, Rates & Taxes	204,000	197,000
d	Listing Fees	35,000	25,000
e	Electricity Expenses	94,536	121,420
f	Website Development	1,650	8,000
g	Share Registrar Fees	45,000	68,800
h	Filling Fees	4,800	5,400
i	Processing Fees	-	421
j	Insurance Premium	51,369	69,937
k	Travelling & Conveyance	415,328	214,897
l	Office Expenses	160,529	262,436
m	Postage, Telephone & Telegram	95,846	81,802
n	Provision on standard assets	-	90,676
o	Printing & Stationery	121,507	88,136
p	Miscellaneous Expenditure	137,714	125,238
	<b>Total</b>	<b>1,754,540</b>	<b>2,429,339</b>

**Note: 24 Schedule to the Balance Sheet of a NBFC**

			(INR in lakhs)	
<b>Particulars</b>				
Liabilities side			Amount outstanding	Amount Overdue
<b>(1)</b>	<b>Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid:</b>			
	(a)	Debtors: Secured	-	-
		: Unsecured (other than falling within the meaning of public deposits)	-	-
	(b)	Deferred Credits	-	-
	(c)	Term Loans	-	-
	(d)	Inter-corporate loans and borrowing	2230.06	-
	(e)	Commercial Paper	-	-
	(f)	Public Deposits	-	-
	(g)	Other Loans (specify nature)	1.59	-
<b>(2)</b>	<b>Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid) :</b>		<b>N.A.</b>	<b>N.A.</b>
	(a)	In the form of Unsecured debentures		
	(b)	In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of Security		
	(c)	Other public deposits		
Assets side			Amount outstanding	
<b>(3)</b>	<b>Break-up of Loans and Advances including bills receivables [other than those included in (4) below] :</b>			
	(a)	Secured		-
	(b)	Unsecured		967

**MERIT CREDIT CORPORATION LIMITED**

<b>(4)</b>	<b>Break up of Leased Assets and stock on hire and other assets counting towards AFC activities</b>				
	(i)	Lease assets including lease rentals under sundry debtors :			
		(a)	Financial lease	-	
		(b)	Operating lease	-	
	(ii)	Stock on hire including hire charges under sundry debtors :			
		(a)	Assets on hire	-	
		(b)	Repossessed Assets	-	
	(iii)	Other loans counting towards AFC activities			
		(a)	Loans where assets have been repossessed	-	
		(b)	Loans other than (a) above	-	
<b>(5)</b>	<b>Break-up of Investments</b>				
	Current Investments				
	1.	Quoted			
		(i)	Shares		
			(a) Equity	862.28	
			(b) Preference	-	
		(ii)	Debentures and Bonds	-	
		(iii)	Units of mutual funds	-	
		(iv)	Government Securities	-	
		(v)	Others (please specify)	-	
<b>Assets side</b>				<b>Amount outstanding</b>	
	2.	<b>Unquoted</b>			
		(i)	Shares		
			(a) Equity	-	
			(b) Preference	-	
		(ii)	Debentures and Bonds	-	
		(iii)	Units of mutual funds	-	
		(iv)	Government Securities	-	
		(v)	Others (please specify)	-	
	<b>Long Term investments</b>				
	1.	<b>Quoted</b>			
		(i)	Share		
			(a) Equity	-	
			(b) Preference	-	
		(ii)	Debentures and Bonds	-	
		(iii)	Units of mutual funds	-	
		(iv)	Government Securities	-	
		(v)	Others (please specify)	-	
	2.	<b>Unquoted</b>			
		(i)	Shares		
			(a) Equity	67.5	
			(b) Preference	-	
		(ii)	Debentures and Bonds	-	
		(iii)	Units of mutual funds	-	
		(iv)	Government Securities	-	
		(v)	Others (please specify)	-	
<b>(6)</b>	<b>Borrower group-wise classification of assets financed as in (3) and (4) above :</b>				
	<b>Category</b>		<b>Amount net of provisions</b>		
			<b>Secured</b>	<b>Unsecured</b>	<b>Total</b>
	1.	Related Parties			
		(a) Subsidiaries	-	-	-
		(b) Companies in the same group	-	-	-
		(c) Other related parties	-	-	-
	2.	Other than related parties	-	-	-
	<b>Total</b>		<b>-</b>	<b>-</b>	<b>-</b>



## MERIT CREDIT CORPORATION LIMITED

(7) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):				
Category			Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)
1.	Related Parties			
	(a)	Subsidiaries	-	-
	(b)	Companies in the same group	-	-
	(c)	Other related parties	-	-
2.	Other than related parties		-	-
<b>Total</b>			-	-
(8) Other information				
Particulars			Amount	
(i)	Gross Non-Performing Assets			
	(a)	Related parties		-
	(b)	Other than related parties		-
(ii)	Net Non-Performing Assets			
	(a)	Related parties		-
	(b)	Other than related parties		-
(iii)	Assets acquired in satisfaction of debt			-

### 25. Segment Reporting

The Company has only one reportable Primary Business Segment i.e. dealing in Shares and Securities.

26. No Provision has been made for liability in respect of Gratuity and Leave Encashment. The effect of the same can not 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.

### 27. Contingent Liabilities

Demand raised by Deputy Commissioner of Income Tax, Ahmedabad in respect of disclosure of income of prior years ( A.Y. 2011-2012 Rs. 1,25,53,670 and A.Y. 2013-14 Rs.6,65,83,870 ), of which the company has already deposited Rs. 1,48,81,570. 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 aforesaid assessment Years / orders.

### 28. Related Party Disclosure under Accounting Standard 18

Key Management Personnel and Relatives.

Name	Designation
Mrs. Mrudula H. Patel	Director
Mr. Hardik G. Trivedi	Director
Mr. Bhikhu I. Patel	Director
Mr. Bipin H. Gandhi	Chief Financial Officer
Mr. Amar H. Patel	Chief Executive Officer
Ms. Kruti S. Vyas	Company Secretary

Nature and Volume of Transactions with related party are as under:

Name	Relation	2017-18	Nature of Payment
Ms. Kruti S. Vyas	KMP	17,420*	Salary
Mr. Bhavesh Thakkar	KMP	2,20,000*	Salary
Mr. Bipin H. Gandhi	KMP	4,69,200	Salary
Mrs. Mrudula H. Patel	Director	6,85,40,524	Loan Taken
Mrs. Mrudula H. Patel	Director	6,85,00,000	Loan Repaid

\*For part of the year.

29. No personal expenses of Directors have been charged to revenue account other than those payable under contractual obligation or in accordance with generally accepted business practice.

## MERIT CREDIT CORPORATION LIMITED

30. There is no expenditure or income in foreign currency.

31. **Earnings Per Share:**

Particulars	31-3-2018 Amount in Rs.	31-3-2017 Amount in Rs.
Net profit for the year attributable to Equity Shareholders	4,82,61,633	16,70,725
Weighted average number of Equity Shares outstanding	60,00,000	60,00,000
Basic and Diluted earnings per share	8.04	0.28
Nominal Value per Equity Share	10	10

32. Loans & Advances, deposits and other loans are as per the book and subject to confirmation from respective parties.

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. Previous year figures have been re-arranged, re-grouped or re-stated, wherever necessary to them comparable with those of current year

In Accordance with our Report attached

**For Talati & Talati**

Chartered Accountants  
(Firm Reg No: 110758W)

**Anand Sharma**

Partner  
Mem. No. 129033

**Place : Ahmedabad**

**Date : 13.08.2018**

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

**(Mrudula H. Patel)**

Director  
**DIN 00226030**

**(Bipin H. Gandhi)**

Chief Financial Officer

**(Kruti S. Vyas)**

Company Secretary

**(Hardik G. Trivedi)**

Director  
**DIN 06597460**

**(Amar H. Patel)**

Chief Executive Officer

**MERIT CREDIT CORPORATION LIMITED**  
**Non-Banking Financial Companies Auditors Report**

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

Dear Sir,

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 issued Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2008 for all NBFC as defined in section 45I(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, 2018, as per the matters specified in para 3 and 4 of the said Directions in vide DNBS.PPD.03/66.15.001/2016-17 dated 29th September, 2016 to the extent applicable to the company as follows:

1. The Company is engaged in the business of Non-Banking Financial Institution as defined in Section 45I(a), had applied for registration as provided in Section 45-IA of the Reserve Bank of India Act, 1934 and meeting the Principal Business Criteria (Financial Asset/Income Pattern) as laid down vide the Bank's Press Release dated April 08, 1999, and directions issued by DNBR.. It has also been Granted Certificate of Registration (CoR) by the Reserve Bank of India, Reg. No: 01.00134 on dated 20th March, 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 Principal Business Criteria (Financial Asset/Income Pattern) as on March 31, 2018
3. The Company is meeting the required Net Owned Fund (NOF) requirements as laid down in RBI Master Direction Non-Banking Financial Companies- Non-Systematically Important Non-Deposit taking Company (Reserve bank) Directions, 2016 read with Master Direction DNBR. PD.007/03.10.119/2016-17.
4. The Company has not accepted any public deposits during the year 2017-18, Board of Directors of the company has passed resolution for non-acceptance of any public deposits.
5. For the Financial Year ended March 31, 2018 the Company has complied with the prudential norms relating to income recognition, accounting standard except non-provision for gratuity and leave encashment, which is a departure from AS-15 "Employee Benefits", asset classification, provisioning for bad and doubtful debts & capital adequacy and exposure norms as applicable to it in terms of Non-Banking Financial Company - Non-Systematically Important Non-Deposits taking Company(Reserve Bank) Directions, 2016.

**For Talati & Talati**  
**Chartered Accountants**  
**(Firm Regn No.: 110758W)**

**Anand Sharma**  
(Partner)  
Membership No: 129033

Place of Signature: Ahmedabad  
Date: 13.08.2018



## MERIT CREDIT CORPORATION LIMITED

(CIN No. - L65910GJ1987PLC009699)

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

Phone No. (079) 27471946 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 31st Annual General Meeting of the Company at 3, Ravipushpa Apartment, Opp. Sunset Row House, Gurukul Road, Ahmedabad-380052 held on Thursday, 27th September, 2018 at 2.00. p.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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## MERIT CREDIT CORPORATION LIMITED

(CIN No. - L65910GJ1987PLC009699)

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

Phone No. (079) 27471946 E-mail id- mccl\_1987@yahoo.com Website : www.mccl.in.net

### 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 31st Annual General Meeting of the Company, to be held Thursday, 27th September, 2018 at 2.00. p.m. at 3, Ravipushpa Apartment, Opp. Sun Set Raw House Gurukul Road, Ahmedabad-380 052 and at any adjournment thereof in respect of such resolution as are indicated below:

**MERIT CREDIT CORPORATION LIMITED**

(CIN No. - L65910GJ1987PLC009699)

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

Phone No. (079) 27471946 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 31st March, 2018.		
2.	Re-appointment of Mrs. Mrudulaben H. Patel (DIN: 00226030)		

Signed this \_\_\_\_\_ day of \_\_\_\_\_, 2018

Affix  
requisite  
Revenue  
Stamp

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

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

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) 27471946

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