



28th ANNUAL REPORT 2016-2017



NPR FINANCE LIMITED

CIN : L65921WB1989PLC047091

REGISTERED OFFICE :

Todi Mansion, 9th Floor
1, Lu-Shun Sarani,
Kolkata - 700 073
Phone : (033) 2237-7201/02
E-mail : npr1@nprfinance.com
Website: www.nprfinance.com

BOARD OF DIRECTORS

Managing Director :

Pawan Kumar Todi

Directors :

Nandlal Todi
Arun Charan Mukherji
Nitin Guha
Rajendra Kumar Duggar
Ashok Bhandari
Sarika Mehra

COMMITTEES :

Audit Committee :

Arun Charan Mukherji
Nitin Guha
Nandlal Todi
Rajendra Kumar Duggar
Ashok Bhandari

Stakeholders Relationship

Committee :

Nitin Guha
Nandlal Todi
Pawan Kumar Todi

Nomination and Remuneration

Committee :

Nitin Guha
Arun Charan Mukherji
Rajendra Kumar Duggar
Ashok Bhandari

Risk Management Committee :

Pawan Kumar Todi
Nandlal Todi
Shankar Birjuka

Fair Practice Code Committee :

Pawan Kumar Todi
Nandlal Todi
Nitin Guha

Executive Director & Company

Secretary :

Sarika Mehra

Chief Financial Officer :

Ashok Kumar Shah

BRANCHES

AHMEDABAD BRANCH :

106-07, 1st Floor "Samedh"
Above Oriental Bank of Commerce
Near Associated Petroleum
C. G. Road, Panchavati
Ahmedabad - 380 006
Phone : (079) 2640 1482/3
Fax : (079) 2640 4346

NEW DELHI BRANCH :

8C/6, W. E. A. Abdul Aziz Road
Karol Bagh, (Opp. Shastri Park)
2nd Floor, New Delhi -110 005
Phone : (011) 2875 2585/2481/2081
Fax : (011) 28750672

FOREX DIVISION :

Todi Mansion, 2nd Floor
1, Lu-Shun Sarani,
Kolkata - 700 073

AUDITORS

STATUTORY AUDITOR :

M/s. R. P. Boobna & Co.
Chartered Accountants
209, A. J. C. Bose Road
"Karnani Estate"
2nd Floor, Room No. 87
Kolkata - 700 017

SECRETARIAL AUDITOR :

Niaz Ahmed
Practicing Company Secretary
1/2 A, Noor Ali Lane
Kolkata - 700 014

BANKERS :

Allahabad Bank
HDFC Bank Limited
ICICI Bank Limited
Federal Bank Limited
State Bank of India
Axis Bank Limited.

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DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the 28th Annual Report of the Company together with Audited Accounts for the year ended 31st March, 2017.

1. Financial Summary or Highlights.

The highlights of the financial performance of the Company for the financial year ended 31st March, 2017 as compared to the previous financial year are as under:-

	₹ in Lakhs	
Particulars	2016-2017	2015-2016
Gross Profit before depreciation, interest and Tax	494.60	206.58
(Less) : Depreciation	(65.68)	(62.28)
(Less) : Interest	(73.77)	(18.26)
(Less) : Provision for Current Tax	(79.08)	(96.74)
Add/(Less) : Provision for Deferred Tax	17.79	12.01
Net Profit after tax	293.86	41.31
Add : Brought forward from previous year	1740.47	1705.59
Add/(Less) : Income Tax adjustment of earlier years	(6.01)	1.83
Profit available for appropriation	2028.32	1748.73
APPROPRIATIONS		
Statutory Reserve under section 45 IA of the Reserve Bank of India Act, 1934.	58.77	8.26
Surplus Carried to balance sheet	1969.55	1740.47
Total	2028.32	1748.73

2. Dividend.

Company has registered ₹355.16 lakhs towards Profit before taxes during the financial year under review as against ₹126.04 lakhs during the previous financial year. The rise in profit is by & large attributable to writing back of provision towards diminution in value of investment of ₹ 84.58 lakhs against provision made to the tune of ₹ 119.58 lakhs in the previous financial year.

The Company has scaled down its core business activity of financing three wheeler and the Board of Directors (hereinafter referred to as "the Board"), feels it necessary to conserve the internal accruals and financial reserves of the Company so that the Company can exploit the opportunities to undertake suitable projects for improving the profitability of the Company in the long run. Therefore, your Board has decided not to declare any dividend for the financial year under review.

3. The amount proposed to be carried to reserves.

The Company proposes to transfer ₹58.77 lakhs to the Statutory Reserve maintained under section 45 IA of the Reserve Bank of India Act, 1934 out of the amount available for appropriation and an amount of ₹1969.55 lakhs is proposed to be retained in the profit and loss account.

4. Change in Share Capital.

During the year under review, there has been no change in the Authorised or Paid-up Share Capital.

The Authorised Share Capital of the Company stands at ₹7,00,00,000/- divided into 70,00,000 Equity Shares of ₹10/- each.

The Paid-up Share Capital of the Company is ₹5,98,96,000 divided into 59,89,600 Equity Shares of ₹10/- each.

5. Listing.

The equity shares continue to be listed on the BSE Ltd. which has nation-wide terminals and therefore, shareholders/ investors are not facing any difficulty in trading in the shares of the Company from any part of the country. The Company has paid the annual listing fee for the financial year 2017-18 to BSE Ltd.

6. Corporate Governance Report.

Your Company has been complying with all the requirements of the code of Corporate Governance, as specified by SEBI.

A separate report on Corporate Governance is furnished as a part of the Directors' Report and the certificate from the Company Secretary in whole time practice regarding compliance of condition of Corporate Governance is annexed to the said Report.

7. Extract of the Annual Return.

The Extract of the Annual Return as on the financial year ended on 31st March, 2017, in Form MGT-9 pursuant to section 92(3) of the Companies Act, 2013 (hereinafter referred to as the "Act") and Rule 12(1) of the Companies (Management and Administration) Rules, 2014 is appended to the Directors' Report in **Annexure-I**.

8. Number of Meetings of the Board.

The Board of Directors of the Company met four (4) times during the Financial Year under review. The details are provided in the Corporate Governance Report which is annexed to this Report.

Further, one exclusive meeting of the Independent Directors, pursuant to Schedule IV of the Act and sub-regulation 3 of Regulation 25 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements)



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Regulations, 2015 ("Listing Regulations"), was held on 15th March, 2017.

The Meetings were held in accordance with the provisions of the Act, Listing Regulations and the Secretarial Standard-1 (SS-1).

9. Disclosure pursuant to Section 177(8) of the Companies Act, 2013-Composition of the Audit Committee.

The Audit Committee of the Company comprises of three non-executive independent directors and one non-executive non-independent promoter director as on 31st March, 2017. The Committee is chaired by a non-executive Independent Director, Mr. Nitin Guha (DIN- 01107480).

The detail of the same is morefully provided in the Corporate Governance Report.

During the Financial Year under review, the Committee met four (4) times and all such meetings were held in accordance with the provisions of the Act and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Further, the Board of Directors have accepted all the recommendations of the Audit Committee in the Financial Year 2016-17.

10. Composition of the Nomination and Remuneration Committee.

The Remuneration Committee which was constituted on 30/10/2002, was reconstituted as the Nomination and Remuneration Committee at the meeting of the Board of Directors held on 16th May, 2014, pursuant to the requirements of Section 178 of the Act.

As on 31st March, 2017 the Nomination and Remuneration Committee of the Company comprises of three Non Executive Independent Directors.

The details of the Committee is provided in the Corporate Governance Report.

11. Composition of the Stakeholders Relationship Committee.

The Share Transfer and Investors Grievance Committee was reconstituted as the Stakeholders Relationship Committee at the meeting of the Board of Directors held on 16th May, 2014 pursuant to the requirements of Section 178 of the Act.

The Committee consists of one Non - Executive Independent Director, one Non-Executive Non- independent Promoter Director and one Executive Non- independent Promoter Director.

The details of the Committee is provided in the Corporate Governance Report.

12. Directors' Responsibility Statement.

Pursuant to the provisions of Section 134 (3) (c) read with section 134 (5) of the Act, the Directors hereby confirm and state that:

- a. In the preparation of Annual Accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures, if any.
- b. The Directors have selected such accounting policies and have 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 as at the end of the Financial Year ended on 31st March, 2017 and of the profit of the company for the year under review.
- c. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d. The Directors have prepared the annual accounts on a going concern basis.
- e. The Directors have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and were operating effectively.
- f. The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

13. Declaration by the Independent Directors.

Section 149(7) of the Act requires every independent director to give a declaration that he meets the criteria of Independence, defined in section 149(6) of the Act, at the first Board Meeting of every financial year.

Accordingly, the Statement of Declaration of Independence has been submitted by all the Independent Directors.

14. Policy on Directors' Appointment & Remuneration.

Pursuant to the provisions of Section 178(4) of the Act read with the Rules made thereunder and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 entered into with the BSE Ltd., the Nomination and Remuneration Committee has formulated the criteria for determining qualifications, positive attributes and independence of a director and has further formulated a policy relating to the remuneration for directors,



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key managerial personnel and other employees, which has been duly approved by the Board of Directors.

While formulating the Policy, the Nomination and Remuneration Committee has assured that:

- The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully;
- The relationship of remuneration to performance is clear and meets appropriate benchmarks; and
- The remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay, reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

The details of the same have been provided in the Corporate Governance Report for the Financial Year 2016-17.

15. Auditor & Auditors' report.

A. Statutory Auditor

In terms of section 139 of the Act, if the statutory auditor of a listed company is an audit firm, it cannot be appointed/ re-appointed for more than two terms of five consecutive years. Further, a period of three years time from the date of commencement of the act, was provided to the companies to comply with the provision. The said period will expire at the ensuing Annual General Meeting.

Therefore, M/s R. P. Boobna & Co. (Firm Registration No. 304093E), Chartered Accountants of 209, A.J.C. Bose Road, "Karnani Estate", 2nd Floor, Room No. 87, Kolkata 700 017, retire from the office of Statutory Auditor at the ensuing Annual General Meeting.

Based on the recommendation of the Audit Committee, your Board has accordingly proposed the appointment of M/s Deoki Bijay & Co. (Firm Registration No. 313105E), Chartered Accountants of 213C, Jabakusum House; 2nd Floor, 34, Chittaranjan Avenue, Kolkata 700012, for a period of five years from the conclusion of the 28th Annual General Meeting till the conclusion of the 33rd Annual General Meeting, subject to ratification thereof by the members at every Annual General Meeting at such remuneration as may be mutually agreed upon between the Board of Directors of the Company and the Auditor, plus applicable Goods and Service Tax.

M/s Deoki Bijay & Co. has furnished a Certificate of Eligibility pursuant to Section 141 of the Act read with the Rules framed thereunder.

B. Independent Auditors' Report

The Self Explanatory Independent Auditors' Report does not contain any adverse remarks or qualification.

C. Secretarial Auditor

Pursuant to the provisions of Section 204 of the Act read with the Rules made thereunder, Mr. Niaz Ahmed (C.P. No. 5965, Membership No. 15555), Company Secretary in whole-time Practice, was appointed for the issuance of the Secretarial Audit Report for the Financial Year ended 31st March, 2017.

He has been further, re-appointed by the Board of Directors at their meeting held on 31.07.2017, on the recommendation of the Audit Committee, to issue the Secretarial Audit Report for the Financial Year ended 31st March, 2018.

D. Secretarial Audit Report

The Secretarial Audit Report is appended to the Directors' Report in **Annexure-II**.

The Report of the Secretarial Audit Report does not contain any adverse remarks.

16. Particulars of Loans, guarantees or investments under Section 186 of the Act.

The provisions of section 186 of the Act are not applicable upon a Non-Banking Financial Company. Therefore, the Company is not required to provide any disclosure pursuant to Section 134(3)(g) of the Act.

17. Particulars of contracts or arrangements with related parties referred to in sub-section (1) of Section 188 of the Act in the prescribed form.

All related party transactions, contracts or arrangements that were entered into, during the financial year under review, were on an arms-length basis and in the ordinary course of business. The Company has adhered to its "Policy on Related Party Transactions and Materiality of Related Party Transactions" while pursuing all Related Party transactions.

During the year under review, the Company has entered into material related party transaction as defined in the Listing Regulations and/or section 188 of the Act read with the Rules made thereunder.

The Audit Committee at its meeting held on 11th February, 2016 had granted omnibus approval in line with the Company's Policy on Related Party Transactions, to pursue related party transactions subject to a maximum threshold limit of ₹1 Crore per transaction for Related Party Transactions that are repetitive in nature, for the financial year 2016-17. The Committee has, on a quarterly basis, reviewed the details of the Related Party Transactions entered into by the Company pursuant to each omnibus approval accorded. In terms of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, entered into by the Company with the BSE Ltd., and Notification dated



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14th December, 2015, as issued by the Ministry of Corporate Affairs, regarding Companies (Meetings of Board and its Powers) Second Amendment Rules, 2015, such omnibus approval is valid only for one year.

Accordingly, the Audit Committee at its Meeting held on 11th February, 2017, has accorded fresh omnibus approval to pursue related party transactions subject to a maximum threshold limit of ₹1 Crore per transaction for Related Party Transactions that are repetitive in nature, for the financial year 2017-18. The Committee on a quarterly basis, reviews the details of the Related Party Transactions entered into by the Company pursuant to each such omnibus approval accorded.

Further, in terms of Regulation 23 of the Listing Regulations and section 188 of the Act, the consent of the members shall be sought at the ensuing 28th Annual General Meeting for approval/ratification of various Related Party Transactions.

All the Material Related Party Transactions entered in the ordinary course of business and at arm's length basis have been reported in Form No. AOC-2 by way of **Annexure – III** in terms of Section 134 of the Act read with the Rules made thereunder.

18. State of Company Affairs & Future Outlook.

As on 31st March, 2017, the Company, a Non-Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Company, does not have any outstanding public deposits and the Company shall not accept in future and in the Financial Year 2017-2018, any public deposit without obtaining the prior approval in writing of the Reserve Bank of India.

The Company's financial disbursement has gone down by ₹67.49 lakhs, in comparison to the previous financial year. The reason behind the same is continuous reduction in financing over last few years. Further, the Company has recorded ₹64.37 lakhs towards recovery from bad debts as against ₹193.35 lakhs recorded in the previous year.

Similar to the previous financial year, the Company is expecting consistent profitability on account of interest income on inter-corporate deposits given to related parties and others.

The income from the Money Changing Business which is operational in Kolkata has marginally gone up by 1.31% and the Company expects consistent but modest profitability from this area of business.

Gross Income from power generation has gone up by 24.39% in comparison to previous financial year on account of increase in power generation coupled with increase in tariff rate of power per unit by 15 paise. Further the Company has also booked income towards reimbursement of Common power evacuation charges amounting to ₹28.03 lakhs. Subject to suitable opportunity in the near future, the Company will

consider further expansion into this avenue after doing the necessary evaluation.

During the period under review, the Company has not generated any income from the Real Estate Division. However, the Company is desirous to explore this arena in the near future, subject to suitable opportunities.

19. Material Changes and commitments, if any, affecting the financial position of the Company, which have occurred between the end of the financial year of the company to which the financial statements relate and the date of the report.

The Chennai, Bhubaneswar and Kozhikode Branches of the Company have been closed with effect from 26th May, 2017, since, the Company has stopped financing in such areas over the past few years and therefore, it is no longer viable to continue the Operation of the aforesaid Branches. Further, the Kochi Branch has also been closed with effect from 15th July, 2017, in view of its unviable operations.

No other Material changes and commitments affecting the financial position of the Company, have occurred between the end of the financial year of the company to which the financial statements relate and the date of this Directors' Report.

20. Conservation of Energy, Technology Absorption, Foreign Exchange Earnings And Outgo.

Disclosure in terms of Rule 8(3) of the Companies (Accounts) Rules, 2014 :

a. Conservation of Energy

The Company has no activity relating to conservation of energy.

b. Technology Absorption

In terms of Section 134 (3) (m) of the Act read with the Rules made there under, the Company has no activity relating to Technology Absorption. Further, the Company has not entered into any technology transfer agreement.

c. Foreign Exchange earnings and outgo

The Company does not have any Foreign Exchange earnings and outgo during the period under review.

21. Risk Management Policy.

In terms of the Listing Regulations, and in compliance with Section 134(3)(n) of the Act, the Company has a Risk Management Policy which provides for the identification therein of elements of risk, which in the opinion of the Board may threaten the existence of the Company.



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Pursuant to Schedule IV(II)(4) of the Act, the Independent Directors, inter-alia amongst others, review the system from time to time to ensure that Risk Management is robust and satisfactory.

Further, in terms of Regulation 17(9)(b) of the Listing Regulations, the Board of Directors is responsible for framing, implementing and monitoring the Risk Management Plan of the Company, and has delegated the power of monitoring and reviewing of the risk management plan to the Risk Management Committee.

The Risk Management Committee is responsible for laying down procedures to inform Board members about the risk assessment and minimization procedures. This is described morefully in the Corporate Governance Report.

22. Policy on Corporate Social Responsibility (CSR) Initiatives.

Pursuant to provisions of Section 135 of the Act, the Company is not required to constitute a Corporate Social Responsibility Committee or to undertake any CSR activities.

Therefore, the Company is not required to make any disclosure as specified in Section 134(3) (o) of the Act.

23. Manner of formal annual evaluation by the Board of its own performance and that of its committees and individual directors.

The manner of formal annual evaluation by the Board of its own performance and that of its committees and individual directors, is morefully described in the Corporate Governance Report which is annexed to the Directors' Report.

24. Nomination and Remuneration Policy.

The Nomination and Remuneration Policy of the Company, in terms of Section 178 of the Act, read with Rules made thereunder and the Listing Regulations, is enclosed in **Annexure-IV**.

25. Change in the nature of business.

There has been no change in the nature of business of the Company in the Financial Year under review.

26. Directors & Key Managerial Personnel.

a. Independent Directors.

Mr. Ashok Bhandari (DIN-00012210) has been appointed as an Additional Director (Independent Non-executive Director) of the Company with effect from 22nd May, 2017. Accordingly, he holds office till the conclusion of the ensuing Annual General Meeting and has presented himself for appointment for a term of five years. He is a Chartered Accountant having several years of rich and versatile experience in various fields of operational

management, finance and taxation. His enriched experience and knowledge is expected to benefit the Company and would further add to the increasing diversity of the Board, which may lead to greater creativity, innovativeness and quality decision making.

All the remaining Independent Directors of the Company were re-appointed for a term of five years at the 25th Annual General Meeting of the Company with effect from 19th September, 2014.

b. Non-Executive & Executive Directors- Non-independent.

Mr. Nandlal Todi (DIN-00581581), Non-Executive Non-independent Promoter Director of the Company, retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. He is the relative of Mr. Pawan Kumar Todi (DIN-00590156), Managing Director of the Company.

Further, the Board at its meeting held on 22nd May, 2017, has granted its approval to revise the remuneration of Mr. Pawan Kumar Todi (DIN 00590156) Managing Director of the Company, for his remaining tenure with effect from 1st June, 2017.

It is being proposed to make the office of Ms. Sarika Mehra (DIN-06935192), Executive Director & Company Secretary, liable to retire by rotation with effect from the conclusion of the ensuing Annual General Meeting.

c. Chief Financial Officer.

Mr. Ashok Kumar Shah, is the Chief Financial Officer of the Company.

27. Names of Companies which have become or ceased to be the Company's subsidiaries, joint ventures or associate companies during the year under review.

The Company does not have any Subsidiary or associate companies (as defined in Section 2(6) of the Act) nor is associated with any joint ventures and therefore the disclosure requirement pursuant to Rule 8 of the Companies (Accounts) Rules, 2014 is not applicable for the Company.

28. Details of deposits which are not in compliance with the requirements of Chapter V of the Act.

The Company has neither accepted any deposits during the financial year under review, nor has any outstanding deposits as on 31st March, 2017.



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29. Details of significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and the Company's future operations.

No significant and material orders have been passed by the regulators or courts or tribunals impacting the going concern status and the Company's future operations.

30. Details in respect of adequacy of internal financial controls with reference to the Financial Statements.

The Audit Committee of the Company ensures that there is a direct relationship between the Company's objectives and the internal financial controls it implements, to provide reasonable assurance about their achievement.

In this connection, the Audit Committee in coordination with the Internal Audit Department periodically reviews the following:

- Transactions are executed in accordance with the management's general or specific authorization;
- All transactions are promptly recorded in the correct amount in the appropriate accounts and in the accounting period in which they are executed so as to permit preparation of financial information within a framework of recognized accounting policies and practices and relevant statutory requirements, if any;
- Accountability of assets is adequately maintained and assets are safeguarded from unauthorized access, use or disposition.

There is a proper allocation of functional responsibilities within the Company and it is ensured that the quality of personnel commensurate with their responsibilities and duties. Further, proper accounting and operating procedures are followed to confirm the accuracy and reliability of accounting data, efficiency in operation and safety of the assets. The regular review of work of one individual by another, minimizes the possibility of fraud or error in the absence of collusion.

A reference is made in this connection to the CEO & CFO Certification which forms part of the Annual Report.

31. Disclosure pursuant to Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

The Company has no employee whose remuneration exceeds the limit prescribed under Section 197 of the Act read with Rule 5(2) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

The disclosure pursuant to Rule 5(1) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided herein below:

In computing the various parameters, Gross Salary of the employees' alongwith Employers' contribution to Provident Fund, Bonus, Leave Encashment, have been considered. Gross Salary of the employees primarily encompasses Salary, allowances and perquisites.

I. Ratio of Remuneration of each director to the median remuneration of the employees of the company for the financial year.

Directors	Ratio of Remuneration to Median Remuneration
Nandlal Todi	Paid Sitting Fees only
Arun Charan Mukherji	Paid Sitting Fees only
Nitin Guha	Paid Sitting Fees only
Rajendra Kumar Duggar	Paid Sitting Fees only
Mr. Pawan Kumar Todi	15 times(approx.)
Ms. Sarika Mehra	14 times(approx.)

II. The percentage increase in the remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year.

Directors, Chief Executive Officer, Chief Financial Officer and Company Secretary	% increase in remuneration in the Financial Year
Nandlal Todi - Non-executive Director	-Paid Sitting Fees only
Arun Charan Mukherji - Non-executive Director	-Paid Sitting Fees only
Nitin Guha - Non-executive Director	-Paid Sitting Fees only
Rajendra Kumar Duggar - Non-executive Director	-Paid Sitting Fees only
Mr. Pawan Kumar Todi - Managing Director	4.61%
Ms. Sarika Mehra - Executive Director & Company Secretary	10.37%
Mr. Ashok Kumar Shah - Chief Financial Officer of the Company	9.12%

III. The percentage increase in the median remuneration of the employees in the financial year.

There has been increase of 18.43 % in the median remuneration of the employees in the Financial Year.



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IV. The number of permanent employees on the rolls of the company.

As on 31st March, 2017, there are 37 Employees on the rolls of the Company.

V. The explanation on the relationship between average increase in remuneration and company performance.

In order to ensure that remuneration reflects Company performance, the performance pay is also linked to organization performance, apart from an individual's performance.

VI. Comparison of the remuneration of the Key Managerial Personnel against the performance of the company.

Comparative Parameter	Amount (in ₹)
Aggregate remuneration of Key Managerial Personnel (KMP) in the Financial Year 2016-17.	35,02,561
Total Revenue	41,12,99,107
Remuneration of KMP's as a percentage of Total Revenue	0.85 %
Profit before tax	3,55,15,786
Remuneration of KMP's as a percentage of Profit before Tax	9.86 %
Profit after tax	2,93,86,786
Remuneration of KMP's as a percentage of Profit after Tax	11.92 %

VII. VARIATIONS IN :

A. The market capitalisation of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year.

Particulars	31 st March, 2017	31 st March, 2016	% Change +/-
Market Capitalisation (in ₹)	10,57,16,440	7,75,65,320	36.29 %
Price Earnings Ratio	3.59	18.77	(80.85) %

B. Percentage change in the market quotations of the shares of the company in comparison to the rate at which the Company came out with the last public offer.

Particulars	31 st March, 2017	27 th Feb, 1995 (IPO issue)	% Change
Market Price (in ₹)	17.65	15.00	17.67 %

VIII. A. Average percentile increase made in the salaries of employees other than the managerial personnel in the last financial year.

Percentile decrease in the salary in 2015-16	Percentile decrease in the salary in 2016-17
22.28	9.64

On account of the closure of the Chennai, Kochi, Kozhikode and Bhubaneswar branches of the Company, the number of employees have reduced in comparison to the previous year and henceforth, there was a percentile decrease in the salaries of employees.

B. Its comparison with the percentile increase in the managerial remuneration and justification thereof.

In comparison to the aforesaid decrease of 9.64% of other employees, the salary of the Managerial Personnel increased by 7.78%.

Aggregate salary of all the employees taken together reduced due to reduction in the number of employees on account of the closure of branches of the Company as mentioned above. Increase in managerial remuneration was on account of annual increment.

C. Whether there are any exceptional circumstances for increase in the managerial remuneration.

There are no exceptional circumstances prevalent for increase in the managerial remuneration.