



ANNUAL REPORT 2014-15

**PAWANSUT
HOLDINGS LIMITED**



31st ANNUAL REPORT 2014-15

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BOARD OF DIRECTORS

- 1) Mr. Laxman Singh Satyapal, Chairman & Managing Director
- 2) Mr. Pradeep Kumar Jindal, Executive Director
- 3) Mr. Pawan Kumar Poddar, Non-Executive Director
- 4) Ms. Seema Khandelwal, Non-Executive Director
- 5) Mr. Uttam Kumar Srivastava, Non-Executive Director

COMPANY SECRETARY

Ms. Shweta Gupta

CHIEF FINANCIAL OFFICER

Mr. Vinit Kumar Sharma

CORPORATE INFORMATION

REGISTERED OFFICE & CORPORATE OFFICE

415, Usha Kiran Building, Commercial Complex,
Azadpur, Delhi- 110 033

WEBSITE

www.pawansutholdings.com

E-MAIL

info@pawansutholdings.com





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BANKERS

Andhra bank

STATUTORY AUDITORS

M/s S. K. Singla & Associates, Chartered Accountants
Address:- 107, Mukand House, Commercial Complex,
Azadpur, Delhi- 110 033

CORPORATE INFORMATION

REGISTRAR & TRANSFER AGENT

Beetal Financial & Computer Services (P) Limited
Address:- Beetal House, 3rd Floor, 99 Madangir
Behind Local Shopping Centre
near Dada Harsukhdas Mandir, New Delhi- 110 062

LISTING

Bombay Stock Exchange



Chairman's Message.

DEAR SHAREHOLDERS,

We are pleased to present this review of Pawansut Holdings Limited's progress in the 2015 financial year where consistent earnings growth delivered increased shareholder returns.

This was a year of accelerating momentum for our company, one in which we saw continued growth in revenue, profit and customer numbers, and demonstrated the value being created by our focus on improving customer advocacy, while investing in our core and growth businesses.

Our customers remain our highest priority. Throughout the year, and right across the company, we worked to find ways to build advocacy, by improving how we interact with our customers every day, and to have a positive impact on their lives with our services.

PHL operates in a dynamic and competitive environment. Competing in this environment requires a commitment to customer service excellence and innovation, areas where we continuously strive to improve.

I am optimistic about your Company's prospects in the coming years. Even during an economic slowdown, your Company has continued to grow. During the year under review, your Company registered net profits of Rs. 4.79 lacs. This is the performance in a difficult year, with the right policies in place your Company is capable of doing much more. I expect a major pick-up in finance sector activities.

While this is our second Annual Report since BSE listing, our shares are regularly traded on exchange.

EXPERIENCE MANAGEMENT PERSONNEL

Our NBFC businesses are designed to ride the different business cycles to achieve consistent growth and returns. Just as our business portfolio is diversified, so is our talent mix. Your company's senior management team has over 10 years of experience on an average in the financial services sector. Balancing this experience is the energy of youth. A company-wide average employee age of 30 makes for a potent blend of experience and youth. We have been successful in attracting, retaining and nurturing this talent-mix at all levels.

We are confident our medium and long-term prospects remain positive based on our competitive position, our diversified operations and strong financial capacity. Further as discussed last year, the Company for adding lasting value to your stake, has in future planning to get its shares listed on National Stock Exchange.

PERFORMANCE OF COMPANY

Your company earned a Revenue of Rs. 16,961,049 during 2014-15 as compared to Rs. 15,501,536 over previous year. The Company has posted a record profit after tax of Rs. 479,408/- during the year.

FUTURE PERSPECTIVE

To be a leading financial services provider, admired and respected for ethics, values and corporate governance.

With a fresh political mandate for a stable government, and with green shoots of economic revival beginning to be visible, we look forward to a better business environment in the coming year.

On behalf of the Board and on my own behalf, I place on record my sincere appreciation and gratitude to our customers, shareholders and bankers for their continued support and the confidence they have reposed in the Company. I thank the regulators for their constant support. I would like to thank all our Directors for their invaluable guidance and encouragement which have been critical for the success of the Company. I record my special appreciation of the tireless efforts of team PHL, a dedicated and loyal band of people who have displayed unswerving commitment to their work in these challenging times and helped the Company deliver strong results.

I thank you for your attention.

Regards,

Sd/-

(Laxman Singh Satyapal)
Chairman & Managing Director



MR. LAXMAN SINGH SATYAPAL

MANAGING DIRECTOR

Mr. Laxman Singh Satyapal is the Managing Director of the Company. His expertise lies in managing operations in a large business environment, formulating business strategies and identifying new markets. He is having Sound Finance and Accounting Knowledge. He has been associated with the company since 1990 and has more than 22years' experience in corporate law, taxation, finance and investment.

MR. PRADEEP KUMAR JINDAL

DIRECTOR

Mr. Pradeep Kumar Jindal is Masters in Business Administration (MBA) and graduate in commerce. He is an Executive Director on the Board of our Company. His role includes guiding the current businesses and building new ones in the financial services space. He is also actively associated with a number of social and charitable organizations. He has over 24 years of varied rich experience and had also practiced as Income Tax Practitioner for over 8 years. He is also a member of Audit Committee.

MR. UTTAM KUMAR SRIVASTAVA

DIRECTOR

Mr. Uttam Kumar Srivastava is the Independent Director of the company. He is having experience of over 12 years in public relations and Liasoning. He is the Chairman of the Audit Committee, Nomination and Remuneration Committee and Shareholders' Grievance Committee.

MR. PAWAN KUMAR PODDAR

DIRECTOR

Mr. Pawan Kumar Poddar is the Independent Director of the company. He is recognized for excellent people management and team building abilities besides infusing the spirit of action and a result oriented work culture. He is also a member of the Audit Committee, Nomination and Remuneration Committee and Shareholders' Grievance Committee.

MS. SEEMA KHADELWAL

DIRECTOR

Ms. SeemaKhandelwal is aIndependent Director of the company. She is Bachelor in Commerce and hold vast experience and expertise in the field of finance. She is also a member of Nomination and Remuneration Committee and Shareholders' Grievance Committee.

MS. SHWETA GUPTA

COMPANY SECRETARY

Ms. Shweta Gupta, heads the legal, compliance and company secretarial function of the Company. She is a member of The Institute of Company Secretary of India. Her expertise lies in secretarial function & holds great managerial skills.

MR. VINIT KUMAR SHARMA

CHIEF FINANCIAL OFFICER

Mr. Vinit Kumar Sharma is the Chief Financial Officer of the Company having expertise in financial aspects.



DIRECTOR'S REPORT

To

The Shareholders,

Your Board of Directors has the pleasure in presenting the Thirty First Annual Report together with the Audited Financial Statements of your Company for the financial year ended 31st March, 2015.

PERFORMANCE HIGHLIGHTS

The highlights of performance of the Company for the financial year 2014-15 were as under with comparative position of previous year's performance:-

| Particulars | 2014-15 | 2013-14 |
|--|-------------|-------------|
| Operating Income | 1,66,48,320 | 1,55,01,536 |
| Other Income | 3,12,729 | - |
| Total Income | 1,69,61,049 | 1,55,01,536 |
| Less: Total Expenses | 1,53,68,052 | 1,22,02,995 |
| Profit/(loss) before Depreciation & Taxes | 15,92,997 | 32,98,541 |
| Less: Depreciation | 6,81,075 | 2,47,484 |
| Less: Current tax | 48,24,29 | 9,26,673 |
| Less: Deferred Tax | (49,915) | (16,103) |
| Profit/(Loss) for the year | 4,79,408 | 21,40,487 |

PERFORMANCE REVIEW

The year 2014-15 was a year with excellent financial results as far as your Company is concerned. The Gross Income for this period was Rs. 1,69,61,049 as against Rs. Rs. 15,501,536 in the year 2013-14. The Total Expenditure for the period was Rs. 1,60,49,127. The Company had posted a record profit after tax of Rs. 4,79,408/- during the year.

DIVIDEND

The Board of Directors of your Company has decided to retain and plough back the profits into the business of the Company, thus no dividend is being recommended for this year.

RESERVES

The Company has transferred Rs. 20,92,262 reserves to the special reserve.

CHANGES IN SHARE CAPITAL

During the year under review, your company has not made any material changes in the share capital of the Company.

EXTRACT OF ANNUAL RETURN

Pursuant to Section 134(3)(a) and Section 92(3) of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014, the extract of the Annual Return as at March 31, 2015, in the prescribed form MGT 9, forms part of this report and is annexed as "Annexure - A".

NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS

The Board of Directors met Eight (8) times in the year 2014 - 2015. The details of the Board Meetings and the attendance of the Directors are provided in the Corporate Governance Report.

AUDIT COMMITTEE

The Audit Committee met Seven (7) times in the year 2014 - 2015. The details of the Audit Committee and the attendance of its members are provided in the Corporate Governance Report.

NOMINATION AND REMUNERATION COMMITTEE

During the year Company has changed the name of the Committee as "Nomination and Remuneration Committee" from "Remuneration Committee" in the meeting of the board of Directors held on September 05, 2014.

The Nomination and Remuneration Committee met Five (5) times in the year 2014 - 2015. The details of the Nomination and Remuneration Committee and the attendance of its members are provided in the Corporate Governance Report.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

There is no particular of contracts or arrangements with related parties referred to in Section 188(1) of the Companies Act 2013 for the Financial Year 2014-15.

EXPLANATION OF AUDITOR'S REPORT

The Notes on Financial Statements referred to in the Auditors' Report are self-explanatory and do not call for any further comments.

MATERIAL CHANGES AND COMMITMENTS

No other material changes and commitments affecting the financial position of the Company have occurred between April 1, 2014 and the date on which this report has been signed.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO-INFORMATION AS PER SECTION 134(3) (m) OF THE COMPANIES ACT, 2013

The Company, being engaged, in the industrial financing does not have any energy utilization or technology absorption. The Company during the year under consideration has not earned or spent any foreign exchange.

SUBSIDIARIES

Your Company does not have any subsidiary / subsidiaries within the meaning of the Companies Act, 2013.

POLICIES OF THE COMPANY

Your Company has posted the following documents on its website





www.pawansutholdings.com:

1. Code of Conduct
2. Vigil Mechanism Policy
3. Fair Practice Code as per RBI Norms.

RISK MANAGEMENT POLICY

Effective risk management is essential to success and is an integral part of our culture. While we need to accept a level of risk in achieving our goals, sound risk management helps us to make the most of each business opportunity, and enables us to be resilient and respond decisively to the changing environment.

Our approach to risk management assists us in identifying risks early and addressing them in ways that manage uncertainties, minimize potential hazards, and maximize opportunities for the good of all our stakeholders including shareholders, customers, suppliers, regulators and employees. Risks can be broadly classified as Strategic, Operational, Financial, and Legal/Regulatory.

In accordance with the requirements of the Companies Act, 2013 and Listing Agreement Company has adopted risk management policy, approved by Board of Directors and established a risk management framework to identify, mitigate and control the risk and threatens of risk.

REMUNERATION POLICY

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration. The Remuneration Policy is stated in the Corporate Governance Report.

DIRECTORS

The current composition of the Board of Directors of your Company is as under:-

| Sl. No. | Name of Director | Designation | Date of Appointment |
|---------|----------------------------|------------------------------|---------------------|
| 1. | Mr. Laxman Singh Satyapal | Chairman & Managing Director | 18/12/2000 |
| 2. | Mr. Pradeep Kumar Jindal | Executive Director | 30/08/2006 |
| 3. | Mr. Uttam Kumar Srivastava | Independent Director | 20/03/2011 |
| 4. | Mr. Pawan Kumar Poddar | Independent Director | 20/03/2011 |
| 5 | Ms. Seema Khandelwal | Independent Director | 29/05/2014 |

A) Key Managerial Personnel

The Board appointed the below mentioned persons as the key managerial personnel of the Company under section 203 of the Companies act, 2013 as on November 13, 2014.

| Sr. No. | Name of the Person | Designation |
|---------|---------------------------|-------------------------|
| 1 | Mr. Laxman Singh Satyapal | Managing Director |
| 2 | Ms. Shweta Gupta | Company Secretary |
| 3 | Mr. Vinit Kumar Sharma | Chief Financial Officer |

B) CESSATION

Ms. Renu Jindal, Director (DIN NO, 01843439) was not in a position to devote her time to the affairs of the Company due to some unavoidable reasons. Accordingly, She is submitting her resignation to the Company as on May 29, 2014.

The Board placed on record its appreciation for the valuable services rendered by her.

C) RETIREMENT BY ROTATION

In accordance with the provisions of section 152(6) of the Companies Act, 2013, Mr. Pradeep Kumar Jindal (DIN 00049715) will retire by rotation at the ensuing Annual General Meeting of the Company and being eligible, offers himself for re-appointment. The Board recommends their re-appointment.

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 is no order passed by any regulator or court or tribunal against the Company, impacting the going concern concept or future operations of the Company.

INTERNAL CONTROL SYSTEMS

The Company's internal control systems are conducted by Ms. Veena, Internal Auditor. The Internal Auditor independently evaluates the adequacy of internal controls and reviews major transactions. The Internal Auditor reports directly to the Audit Committee to ensure complete independence.

PUBLIC DEPOSITS

Your Company did not accept any deposits from public in term of the provisions of section 73 of the Companies act, 2013 and to this effect an undertaking is given to the Reserve Bank of India.

DECLARATION BY AN INDEPENDENT DIRECTOR(S)

The Board of Directors declare that the Independent Directors Mr. Uttam Kumar Srivastava, Mr. Pawan Kumar Poddar and Mrs. Seema Khandelwal are:

- (a) in the opinion of the Board, are persons of integrity and possesses relevant expertise and experience;
- (b) (i) who were or were not a promoter of the company or its holding, subsidiary or associate company
- (ii) who are not related to promoters or directors in the company, its holding, subsidiary or associate Company;
- (c) Who have or had no pecuniary relationship with the company, its holding, subsidiary or associate company or their promoters or directors, during the two immediately preceding financial years or during the current financial year;
- (d) None of whose relatives has or had pecuniary relationship or transaction with the company, its holding, subsidiary or associate company or their promoters, or directors, amounting to two percent or more of its gross turnover of total income or fifty lakh rupees or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;
- (e) Who, either himself nor any of his relatives -
 - (i) holds or has held the position of a key managerial personnel or is or has been employee of the company or its holding, subsidiary or associate company in any of the three financial year immediately preceding the financial year in which he is proposed to be appointed;
 - (ii) is or has been an employee or propriety or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed, of -
 - (A) a firm of auditors or company secretaries in practice or cost auditors or the company or its holding, subsidiary or associate company; or
 - (B) any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to ten percent or more of the gross turnover of such firm;



(iii) holds together with his relative two per cent, or more of the total voting power of the company; or

(iv) is a Chief Executive or director, by whatever name called, of any nonprofit organization that receives twenty-five percent or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds two per cent or more of the total voting power of the company; or

(f) who possesses such other qualification as may be prescribed.

AUDITORS

M/s. S. K. Singla & Associates, Chartered Accountants (Firm Registration No. 005903N), Statutory Auditors at the last Annual General Meeting held on 30.09.2014 for a period of five years subject to ratification by members at every consequent Annual General Meeting. Therefore, ratification of appointment of Statutory Auditors is being sought from the members of the Company at the ensuing AGM.

SECRETARIAL AUDIT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Rules made thereunder, Mr. Ankit Agarwal, Company Secretary in Practice (ACS 32360; C P No. 12118), Delhi, has been appointed to conduct a secretarial audit of the Company's Secretarial and related records for the year ended 31 March, 2015. The Practicing Company Secretary has submitted his Report on the secretarial audit conducted by him which is annexed to this Board's Report.

PERFORMANCE EVALUATION OF THE DIRECTORS ETC

The Nomination and Remuneration Committee has laid down the criteria for performance evaluation of the individual Directors and the Board. The framework of performance evaluation of the Independent Directors captures the following points:

A) Key attributes of the Independent Directors that justify his / her extension / continuation on the Board of the Company;

B) Participation of the Directors in the Board proceedings and his / her effectiveness;

The evaluation was carried out by means of the replies given / observations made by all the Independent Directors on the set of questions developed by them which brought out the key attributes of the Directors, quality of interactions among them and its effectiveness.

VIGIL MECHANISM

The Company already has put in place a policy prohibit managerial personnel from taking adverse personnel action employees disclosing in good faith, alleged wrongful conduct on matters of public concern involving violation of any law, mismanagement, misappropriation of public funds, among others.

Employees aware of any alleged wrongful conduct are encouraged to make a disclosure to the Audit Committee.

No personnel of the Company were denied access to the Audit Committee.

Your Company has maintained Vigil Mechanism and posted its Policy on website www.pawansutholdings.com

CORPORATE GOVERNANCE

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, a separate section titled Report on Corporate Governance has been included in this Annual Report. Your Directors are pleased to report that as on March 31, 2015, your Company is fully compliant with the SEBI Guidelines on Corporate Governance.

CORPORATE GOVERNANCE CERTIFICATE

The Compliance certificate from the auditors or practicing company secretaries regarding compliance of conditions of corporate governance as stipulated in Clause 49 of the Listing agreement is annexed with the report.

RBI NORMS AND ACCOUNTING STANDARDS

To comply with RBI directions, your company closed its accounts for the full year ending March 2015, and your Company continues to comply with the directives issued as well as the norms prescribed by Reserve Bank of India for NBFCs.

RBI GUIDELINES

Your Company is complying with all the guidelines of the Reserve Bank of India for Non Banking Finance Company. In terms of Para 13 of the NBFC Regulations, the particulars as applicable to the Company are appended to the Balance Sheet.

NON-BANKING FINANCIAL COMPANIES AUDITORS' REPORT (RESERVE BANK) DIRECTIONS, 1998

Pursuant to the Non Banking Financial Companies Auditors' Report (Reserve Bank) Directions, 1998, a report from the statutory auditors to the Board of Directors, has been received by the Company.

EMPLOYEE REMUNERATION

(A). The ratio of the remuneration of each director to the median employee's remuneration and other details in terms of sub-section 12 of Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are forming part of this report and is annexed as "Annexure - B" to this Report.

(B). The statement containing particulars of employees as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) and Rule 5 (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, forms part of this report. In terms of Section 136 of the Companies Act, 2013 the same is open for inspection at the Registered Office of the Company. Copies of this statement may be obtained by the members by writing to the Company Secretary.

(C) There are no employees employed throughout the financial year and in receipt of remuneration of Rs. 60 lacs or more, or employed for part of the year and in receipt of Rs. 5 lacs or more a month, to be reported under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMAN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has only 5 women employees. . So, The Company has not fall in requirements of the Sexual Harassment of Women at the Workplace (prevention, prohibition & Redressal) Act, 2013. No employees (permanent, contractual, temporary, trainees) are covered under this policy.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management's Discussion and Analysis Report for the year under review, as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges in India, annexed to this Directors' Report, provides a more detailed review of the operating performance.

BUSINESS RESPONSIBILITY STATEMENT

SEBI, vide its Circular CIR/CFD/DIL/8/2012 dated August 13, 2012, mandated the top 100 listed entities, based on market capitalisation at BSE and NSE, to include Business Responsibility Report (BRR) as part of the Annual Report describing the initiatives taken by the companies from Environmental, Social and Governance perspective. Pursuant to the above, the Stock Exchanges included in the Listing Agreement a suggested framework of a BRR.

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Companies Act 2013, your Directors confirm that:

i) In the preparation of the annual accounts, the applicable accounting standards have been followed.





ii) The Directors have 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 account of the company for that period.

iii) The Directors have 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.

iv) The Directors have prepared the annual accounts on a going concern basis.

v) The Directors, have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.

vi) 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.



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APPRECIATION

Your Directors thank Customers, and all the Stakeholders for their continued support to your Company's performance and growth. The Directors also wish to place on record their sincere appreciation of the commitment and enthusiasm of all employees for their significant role in the Company's growth till date.

For and on behalf of the Board of Directors

For Pawansut Holdings Limited

Sd/-

(Laxman Singh Satyapal)
Chairman & Managing Director

Din No: 00007258

Sd/-

(Pradeep Kumar Jindal)
Director

Din No: 00049715

Place: Delhi

Date : 02.09.2015

