

**Pyxis Finvest Limited**  
(formerly, BCB Finance Limited)

**11<sup>TH</sup> ANNUAL REPORT**  
**2015-16**

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## Company's Information

### Board of Directors (as on 31<sup>st</sup> March, 2016)

Kumud Ranjan Mohanty	-	Managing Director
Shailendra Apte	-	Non-executive Director and CFO
Narayan Krishnan	-	Non-executive Director
Parag Shah	-	Independent Director
Swati Sahukara	-	Independent Director

### Registered Office

Level 9 (Unit-801), Centrum House, CST Road,  
Vidyanagari Marg, Kalina, Santacruz (E), Mumbai-400098  
E-mail: cs@centrum.co.in  
Website: www.bcbfinance.com

### Registrar and Share Transfer Agents

Purva Shareregistry (I) Pvt Ltd  
9, Shiv Shakti Industrial Estate, J.R. Boricha Marg,  
Lower Parel (E), Mumbai – 400011  
Tel No.:91-22-23012518  
Fax No.: 91-22-2301 2517  
E-mail: busicomp@gmail.com/  
Website: www.purvashare.com

### Bankers

Bank of India, Stock Exchange Branch, Fort, Mumbai 400 001  
HDFC Bank, Kalina, Santacruz (E), Mumbai-400098

### Statutory Auditor

M/s. P.D Saraf & Co.,  
Chartered Accountants,  
1103, Arcadia, 195 Nariman Point, Mumbai-400021

### Internal Auditor

M/s. Hemant Goyal & Associates,  
Chartered Accountants,  
F-65, Profit Centre, Mahavir Nagar, Kandivali (W), Mumbai-400067

### Secretarial Auditor

M/s. M. Gupta & Associates,  
Company Secretaries in Practice,  
Unit No.11, G-Block, Sundar Sangam Society, Malad (W), Mumbai-400064

## Management Discussion and Analysis

### **Industry Overview**

Non-Banking Finance Companies (NBFCs) form an integral part of the Indian financial system. They play an important role in nation building by providing financial solutions and credit to various segments of society. NBFCs' ground-level understanding of their customers' profile and their credit needs give them an edge, as does their ability to innovate and customise products as per their clients' needs. NBFCs' contribution to the Non-Food credit has grown rapidly from 8.4% in 2006 to above 14% in March 2015 and expected to reach nearly 18% by 2018-19. NBFCs have recorded a healthy growth in assets – CAGR of 19% over the past few years.

### **Opportunities and Threats**

With the ongoing NPA related stress in the public sector banks, their credit growth is expected to slow down, thereby providing NBFCs an opportunity to increase their presence. Going forward, the latent credit demand of an emerging India will allow NBFCs to complement banks, especially in segments where traditional banks have been wary to serve. Additionally, improving macroeconomic conditions, higher credit growth facilitated by the easing of the interest rate cycle, higher credit penetration, increased consumption and disruptive digital trends will allow NBFC's credit to grow at a healthy rate of 15-20% over the next five years.

The RBI has conducted a comprehensive review of the NBFC regulations in 2014 and tightened norms around capital adequacy, provisioning and securitization. The increasing regulatory pressure may, in the medium term, affect the competitiveness of NBFCs.

### **Company's Risks Management**

An effective risk management policy lies at the core of our business philosophy of the Company, which is centred on delivering high and better returns to all stakeholders. With ups and downs, volatility and fluctuations in the financial business in which the Company operates, the Company is exposed to various risks and uncertainties in the normal course of our business. Since such variations can cause deviations in the results from operations and affect our financial state, the focus on risk management continues to be high. The Company has its Risk Management Policy in place which aims to enable the Company to proactively manage uncertainty and changes in the internal and external environment to limit negative impacts and threats and capitalize on opportunities.

### **Internal Control Systems and their Adequacy**

The Company has put in place internal controls to ensure that all transactions are authorised, recorded and reported correctly and in accordance with Company's policies and procedures. Periodic reviews by management as well as audits supplement the controls and provide necessary checks and balances.

### **Discussion on Financial Performance and Outlook**

The Company is into the business of providing loans and financial facilities. During the year under review, your Company has recorded total revenue of Rs. 290.42 lacs against Rs. 178.34 lac in the previous year resulting in 62.85% growth over previous year. Profit Before Taxation for the financial year ended 31st March, 2016 increased to Rs. 236.15 lac as compared to Rs. 64.38 lac in the previous year resulting in 266.80% growth. Profit After Tax is Rs. 148.15 lac as compared to Rs. 44.38 lac in the previous year resulting in 233.82% growth.

The Company would continue to remain focused on improving the rate of return on assets and investments.

**Material Developments and Number of People Employed**

Mr. Bharat Bagri and Mr. Uttam Bagri, earlier promoters of the Company had entered into a Share Purchase Agreement (SPA) on 7th October, 2014 with CentrumDirect Limited on completion of which CentrumDirect Limited acquired 52.16% shareholding in the Company with effect from 5th August, 2015 and is new promoter of the Company. The Company has one permanent employee on the rolls.

**Cautionary Statement**

Certain statements in this Report which describe the Company's objectives, predictions may be "forward looking statements" within the meaning of applicable laws and regulations. Actual results may vary significantly from the forward looking statements contained in this document, due to various risks and uncertainties. These risks and uncertainties include the effect of economic and political conditions in India, volatility in interest rates, new regulations and government policies that may impact the Company's business, as well as its ability to implement the strategy. The Company does not undertake to update these statements.

**For and on behalf of the Board of Directors of  
Pyxis Finvest Limited  
(Formerly, BCB Finance Limited)**

**Sd/-  
Kumud Mohanty  
Managing Director  
DIN 07056917**

**Sd/-  
Shailendra Apte  
Director  
DIN 00017814**

**Place: Mumbai  
Date: 30<sup>th</sup> May, 2016**

## Directors' Report

To,  
The members,

Your Directors take pleasure in presenting the 11<sup>th</sup> Annual Report on the business and operations of your Company together with the Audited Financial Statements for the year ended 31<sup>st</sup> March, 2016.

### **Financial Highlights**

The financial performance of your Company for financial Year 2015-16 and 2014-15 is summarized as below:

(Rs in Lacs)

Particulars	For Financial Year Ended	
	31 <sup>st</sup> March 2016	31 <sup>st</sup> March 2015
Total Revenue	290.42	178.34
Total Expenditure	54.26	113.96
Profit before Tax	236.15	64.38
Provision for Tax	88.00	20.00
Profit/ (loss) After Tax	148.15	44.38

### **Financial Performance and State of Company Affairs**

During the year under review, your Company has recorded total revenue of Rs. 290.42 lacs against Rs. 178.34 lac in the previous year resulting in 62.85% growth over previous year. Profit Before Taxation for the financial year ended 31<sup>st</sup> March, 2016 increased to Rs. 236.15 lac as compared to Rs. 64.38 lac in the previous year resulting in 266.80% growth. Profit After Tax is Rs. 148.15 lac as compared to Rs. 44.38 lac in the previous year resulting in 233.82% growth.

### **Dividend**

With a view to conserve the resources your Directors do not recommend dividend for the financial year 2015-16.

### **Transfer to Reserves**

Your Company proposes to transfer an amount of Rs. 29.63 Lac (Previous year Rs. 8.55 Lac) to Statutory Reserve.

### **Listing**

At present the Company's equity shares are listed on SME platform of BSE Limited and the Company has paid listing fees for the financial year under review.

### **Change in Promoters and the Management**

Mr. Bharat Bagri and Mr. Uttam Bagri, earlier promoters of the Company had entered into a Share Purchase Agreement (SPA) on 7<sup>th</sup> October, 2014 with CentrumDirect Limited on completion of which CentrumDirect Limited acquired 52.16% shareholding in the Company with effect from 5<sup>th</sup> August, 2015 and is new promoter of the Company.

### **Material Changes and Commitments**

Pursuant to change in management and control of the Company, the name of the Company was changed from BCB Finance Limited to Pyxis Finvest Limited vide a fresh certificate of incorporation dated 11<sup>th</sup> February, 2016 issued by the Registrar of Companies, Ministry of Corporate Affairs, Mumbai. The Company has also obtained a fresh Certificate of Registration dated 18<sup>th</sup> March, 2016 from the RBI. There were no material changes and commitments affecting the financial position of the Company between the end of financial year and date of the report.

**Meetings of the Board & Committees**

Details of meetings of the Board and committees held during the year are set out in following table.

Particulars	Board	Audit Committee	Nomination & Remuneration Committee
Number of Meetings	7	3	1
Dates of Meetings	28.05.2015, 05.08.2015 (2), 02.09.2015, 14.11.2015, 24.12.2015, 31.03.2016	28.05.2015, 05.08.2015, 14.11.2015,	05.08.2015
No. of meetings attended by Directors/ Committee members	As given below	As given below	As given Below
Bharat Bagri	3	N.A.	N.A.
Uttam Bagri	3	2	1
Rahul Bhandawat	2	2	1
Kalpesh Ranka	0	0	1
Kumud Ranjan Mohanty	4	N.A.	N.A.
Shailendra Kishor Apte	4	N.A.	N.A.
Narayan Krishnan	4	1	N.A.
Parag Gunvantrai Shah	2	1	N.A.
Swati Sahukara	2	1	N.A.

The intervening gap between the Board Meetings was within the period prescribed under the Companies Act, 2013 (the “Act”).

**Performance Evaluation**

The Board of Directors carried out an annual evaluation of the Board itself, its Committees and individual Directors. The entire Board carried out performance evaluation of each Independent Director excluding the Independent Director being evaluated. The Nomination Remuneration Committee also carried out evaluation of every director’s performance.

The evaluation was done after taking into consideration inputs received from the Directors, setting out parameters of evaluation. Evaluation parameters of the Board and Committees were mainly based on Disclosure of Information, Key functions of the Board and Committees, Responsibilities of the Board and Committees, etc. Evaluation parameters of Individual Directors including the Chairman of the Board and Independent Directors were based on Knowledge to Perform the Role, Time and Level of Participation, Performance of Duties and Level of Oversight and Professional Conduct etc.

Independent Directors in their separate meeting evaluated the performance of Non-Independent Directors, Chairman of the Board and the Board as a whole.

**Disclosures by Directors**

The Directors on the Board have submitted notice of interest under Section 184(1), intimation under Section 164(2) and declaration as to compliance with the Code of Conduct of the Company. All Independent Directors have also given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Act.

**Directors Responsibility Statement**

Pursuant to Section 134 of the Act, the Board of Directors, to the best of their knowledge and ability, confirm that:

- (a) in the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures;
- (b) they 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 of the Company for that period;
- (c) they 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) they have prepared the annual accounts on a going concern basis;
- (e) they have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and operating effectively;
- (f) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the statutory and secretarial auditors and external consultants and the reviews of the management and the relevant Board committees, including the audit committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during the year under review.

#### **Particulars of Loans, Guarantees, Securities and Investments**

Details of loans, guarantees and investments have been disclosed in the Financial Statements.

#### **Extract of Annual Return**

An extract of annual return in Form MGT-9 is provided as **Annexure 1**.

#### **Related Party Transactions**

All related party transactions entered during the period under review were on arm's length basis and in the ordinary course of business. Further, there were no materially significant related party transactions entered into by the Company. Accordingly, furnishing particulars of contracts or arrangements with related parties referred to in section 188(1) along with the justification for entering into such contracts or arrangements in form AOC-2 is not required.

#### **The Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo**

In view of the nature of activities carried on by the Company, the requirements for disclosure in respect of conservation of energy, technology absorption, in terms of the Section 134 of the Act are not applicable to the Company. However, the Company takes all possible efforts towards energy conservation. The requirement for disclosure with respect to technology absorption does not apply to the Company as the activities in which the Company operates does not require any technology.

During the period under review, the Company has not earned any foreign exchange income and also has not incurred any foreign exchange outgo.

#### **Risk Management**

An effective risk management policy lies at the core of our business philosophy of the Company, which is centred on delivering high and better returns to all stakeholders. With ups and downs, volatility and fluctuations in the financial business in which the Company operates, the Company is exposed to various risks and uncertainties in the normal course of our business. Since such variations can cause deviations in the results from operations and affect our financial state, the focus on risk management continues to be high. The Company has its Risk Management Policy in place which is also displayed on the website of the Company. In the opinion of the Board, during the financial year

2015-16, the Board has not noticed any elements of risk which may threaten the existence of the Company.

### **Corporate Social Responsibility**

Provisions of section 135 of the Act concerning the constitution of Corporate Social Responsibility Committee and related matters are not applicable to the Company.

### **Auditors**

M/s. Bhattar & Co., Chartered Accountants, were statutory auditors of the Company before the change in management. M/s. F. K. Mody & Co., Chartered Accountants, were appointed as Statutory Auditors of the Company by members in the Annual General Meeting of the Company held on 18<sup>th</sup> September, 2015. However, M/s F. K. Mody & Co, Chartered Accountants, resigned vide their letter dated 7<sup>th</sup> April, 2016 as statutory auditors for financial year 2015-16 resulting in a casual vacancy. Therefore, the members in their Extraordinary general Meeting held on 25<sup>th</sup> May, 2016 appointed M/s. P. D. Saraf & Co., Chartered Accountants, as Statutory Auditors for financial year 2015-16.

The Company has appointed M/s. Hemant Goyal & Associates, Chartered Accountants, as Internal Auditors for the financial year 2015-16.

The Company has appointed M/s. M. Gupta & Associates, Company Secretaries in Practice, as Secretarial Auditors for the financial year 2015-16. The report of secretarial auditor is attached as **Annexure 2**.

### **Corporate Governance**

In terms of SEBI Circular ref. CIR/ CFD/ POLICY CELL/ 7/ 2014 dated September 15, 2014 on the subject of “Corporate Governance in Listed Entities”, provisions of Clause 49 of the Listing Agreement pertaining to ‘Corporate Governance’ were not mandatory for companies whose equity share capital is listed exclusively on the SME Platforms. SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 which replaced the then existing Listing Agreement and which are effective w.e.f. 1<sup>st</sup> December, 2015 also exempts companies which have listed their specified securities on SME Exchange from compliance with corporate governance provisions.

Since the equity share capital of your Company is listed exclusively on the SME Platform of BSE Limited, the Company is exempted from compliance with Corporate Governance requirements, and accordingly the reporting requirements like Management Discussion and Analysis Statement, Corporate Governance Report, etc. are not applicable to the Company.

Disclosure of Business Responsibility Report is not applicable to the Company.

### **Directors and Key Managerial Personnel**

During the year under review, Mr. Uttam Bharat Bagri, Managing Director, Mrs. Sarla Bharat Bagri, Additional director and Mr. Bharat Bagri, Whole-time director, resigned from the Board w.e.f. 5<sup>th</sup> August, 2015. Mr. Kalpesh Ranka, Mr. Kamalkumar Dujodwala and Mr. Rahul Bhandawat, Independent Directors, resigned from the Board w.e.f. 26<sup>th</sup> September, 2015.

Mr. Uttam Bharat Bagri resigned w.e.f. 2<sup>nd</sup> September, 2015 as Chief Financial Officer.

The Board wishes to place on record its appreciation for the invaluable services and guidance given by each of the above during their respective tenures.

W.e.f. 5<sup>th</sup> August, 2015, Mr. Kumud Ranjan Mohanty was appointed as Managing Director; Mr. Shailendra Apte and Mr. Narayan Krishnan were appointed as Non-executive Directors on the Board.

Mr. Parag Shah and Mrs. Swati Sahukara were appointed as Independent Directors w.e.f. 27<sup>th</sup> September, 2015 for a period of one year. Their re-appointment for a further period of five years w.e.f. 27<sup>th</sup> September, 2016 is being proposed to members in 11<sup>th</sup> Annual General meeting.

Mr. Shailendra Apte was appointed as Chief Financial Officer w.e.f. 2<sup>nd</sup> September, 2015.

Mr. Narayan Krishnan, Director of the Company, retires by rotation and being eligible offers himself for re-appointment at the ensuing Annual General Meeting of the Company.

### **Audit Committee**

The constitution of the Audit Committee as on 31<sup>st</sup> March, 2016 is as follows:

<b>Name</b>	<b>Designation</b>
Mr. Narayan Krishnan	Chairman
Mr. Parag Shah	Member
Mrs. Swati Sahukara	Member

### **Particulars of Employees and Remuneration**

The information required under Section 197 & Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is given below.

a) Ratio of remuneration of each Director to the employees' median remuneration:

<b>Director</b>	<b>Designation</b>	<b>Remuneration p.a. (Rs.)</b>	<b>Ratio</b>
Mr. Kumud Mohanty	Managing Director	Nil	N.A.
Mr. Shailendra Apte	Non-executive Director	Nil	N.A.
Mr. Narayan Krishnan	Non-executive Director	Nil	N.A.
Mr. Parag Shah	Independent Director	Nil	N.A.
Mrs. Swati Sahukara	Independent Director	Nil	N.A.

b) Percentage increase in the median remuneration of employees in the financial year 2015-16:  
Nil

c) Number of permanent employees on the rolls of the Company as on 31<sup>st</sup> March, 2016: 1 (One)

d) Relationship between average increase in remuneration and Company performance:  
There was no increase in remuneration of any employee during the year under consideration.

e) Comparison of the remuneration of the Key Managerial Personnel (KMP) against the performance of the Company:  
Remuneration of KMP is in line with the performance of the Company.

f) Variation in the market capitalization of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the Company:

<b>Particulars</b>	<b>No. of shares listed</b>	<b>Closing Market Price per share (In Rs.)</b>	<b>EPS</b>	<b>P/E ratio</b>	<b>Market capitalization (Rs. In lacs)</b>
As on 31.03.2016	1,15,02,585	27	1.29	20.93	3105.69
As on 31.03.2015	1,15,02,585	25.25	0.39	64.74	2,904.40
Increase/ decrease	-	1.75	0.90	-43.81	201.29
% Increase/ decrease	-	6.93	230.77	-69.10	6.93
Issue Price of the share at the	-	25.25	-	-	-