

Pyxis Finvest Limited
(Formerly, BCB Finance Limited)

12TH ANNUAL REPORT
2016-17

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Company Information

Board of Directors

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

Company Secretary

Ms. Snehal Saboo (w.e.f. 27th April, 2017)

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 Sharegistry (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

Shares listed at

BSE Limited (SME) (534109)

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

Corporate Identification Number (CIN)

L65990MH2005PLC157586

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 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.460.17 lakh against Rs.290.42 lakh in the previous year resulting in 58.45% growth over previous year. Profit before Taxation for the financial year ended 31st March, 2017 increased to Rs.292.37 lakh as compared to Rs.236.16 lakh in the previous year resulting in 23.80% growth. Profit after Tax is Rs.221.20 lakh as compared to Rs.148.16 lakh in the previous year resulting in 49.30% 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

CentrumDirect Limited acquired 4.97% additional shares in the company on 7th October, 2016. Total holding of the promoter is 57.13%. 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 Ranjan Mohanty
Managing Director
DIN 07056917**

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

**Place: Mumbai
Date: 27th April, 2017**

Directors' Report**Dear Members,**

Your Directors take pleasure in presenting the 12th Annual Report on the business and operations of your Company together with the Audited Financial Statements for the year ended 31st March, 2017.

FINANCIAL HIGHLIGHTS

The financial performance of your Company for financial Year 2016-17 and 2015-16 is summarized as below:

Particulars	(Rs. in Lakh)	
	For Financial Year Ended	
	31 st March 2017	31 st March 2016
Total Revenue	460.17	290.42
Total Expenditure	167.80	54.26
Profit before Tax	292.37	236.16
Provision for Tax	71.28	88.00
Profit/ (loss) After Tax	221.20	148.16

FINANCIAL PERFORMANCE AND STATE OF COMPANY AFFAIRS

During the year under review, your Company has recorded total revenue of Rs.460.17 lakh against Rs.290.42 lakh in the previous year resulting in 58.45% growth over previous year. Profit before Taxation for the financial year ended 31st March, 2017 increased to Rs.292.37 lakh as compared to Rs.236.16 lakh in the previous year resulting in 23.80% growth. Profit after Tax is Rs.221.20 lakh as compared to Rs.148.16 lakh in the previous year resulting in 49.30% growth.

DIVIDEND

With a view to conserve the resources your Directors do not recommend dividend for the financial year 2016-17.

SHARE CAPITAL

During the financial year 2016-17, there was no change in the authorized, issued, subscribed and paid-up share capital of the Company. As on March 31, 2017, the Company was having authorized share capital of Rs. 12,00,00,000 comprising of 1,20,00,000 equity shares of Rs. 10/- each out of which issued, subscribed and paid-up share capital was Rs. 11,50,25,850 comprising of 1,15,02,585 equity shares of Rs. 10/- each.

TRANSFER TO RESERVES

Your Company proposes to transfer an amount of Rs. 44.23 lakh (Previous year Rs. 29.63 lakh) to Statutory Reserve.

FIXED DEPOSITS

As on 01st April, 2016, the Company was not having any outstanding deposits falling under the scope of Chapter V of the Companies Act, 2013 and it has not accepted any deposits covered under said Chapter during the financial year 2016-17. As on 31st March, 2017, the Company was not having any outstanding deposit falling under the scope of said Chapter.

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.

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	6	4	1
Dates of Meetings	12.04.2016, 30.05.2016, 30.06.2016, 30.09.2016, 07.11.2016, 10.02.2017	12.04.2016, 30.05.2016, 07.11.2016	30.05.2016, 30.06.2016, 10.02.2017
No. of meetings attended by Directors/ Committee members	As given below	As given below	As given Below
Mr. Kumud Ranjan Mohanty	6	N.A.	N.A.
Mr. Shailendra Kishor Apte	6	N.A.	N.A.
Mr. Narayan Krishnan	6	3	3
Mr. Parag Gunvantrai Shah	5	3	3
Ms. Swati Sahukara	3	2	2

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

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) of the Companies Act, 2013 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 Companies Act, 2013.

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to requirements of Section 134(3)(c) of the Companies Act, 2013 and on the basis of the information furnished to them by the Statutory Auditors and Management, the Directors state 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.

INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Board has laid down standards, processes and procedures for implementing the internal financial controls across the organization. After considering the framework of existing internal financial controls and compliance systems; work performed by the Internal, Statutory and Secretarial Auditors and External Consultants; reviews performed by the Management and relevant Board Committees including the Audit Committee, the Board is of the opinion that the Company's internal financial controls with reference to the financial statements were adequate and effective during the financial year 2016-17.

PARTICULARS OF LOANS, GUARANTEES, SECURITIES AND INVESTMENTS

In accordance with the provisions of Sections 134(3)(g) and 186(4) of the Companies Act, 2013, full particulars of loans given, investments made, guarantees given and securities provided, if any, have been disclosed in the financial statements.

EXTRACT OF ANNUAL RETURN

An extract of Annual Return in Form MGT-9 as required under the provisions of Sections 92(3) and 134(3)(a) read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014 is set out in Annexure '1' to this Report.

RELATED PARTY TRANSACTIONS

All related party transactions that were entered during the financial year under review were on an arm's length basis and were in the ordinary course of business. There were no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

Accordingly, particulars of contracts or arrangements with related party referred to in section 188(1) along with the justification for entering into such contract or arrangement in form AOC-2 does not form part of the Report.

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 Companies Act, 2013 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 2016-17, 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 Companies Act, 2013 concerning the constitution of Corporate Social Responsibility Committee and related matters are not applicable to the Company.

AUDITORS

In accordance with the provisions of Section 139 of the Companies Act, 2013 read with Rule 3 of the Companies (Audit and Auditors) Rules, 2014, M/s. P. D. Saraf & Co., Chartered Accountants, were appointed as Statutory Auditors of the Company by Members in the Annual General Meeting held on 19th September, 2016 to hold office for a period of 5 (five) years from 11th Annual General Meeting till the conclusion of Annual General Meeting to be held in 2021, subject to ratification of their appointment by the Members at every Annual General Meeting held after the 11th Annual General Meeting.

Accordingly, a proposal seeking Members' ratification for the appointment of M/s. P. D. Saraf & Co., Chartered Accountants, (Firm Registration No. 109241W) as the Statutory Auditors of the Company and for fixing their remuneration for the financial year 2017-18 forms part of the Notice convening the ensuing Annual General Meeting. Pursuant to the provisions of Sections 139 and 141 of the Companies Act, 2013 read with Rule 4 of the Companies (Audit and Auditors) Rules, 2014, the Company has received consent from them to the proposal for their appointment in the ensuing Annual General Meeting for the remaining tenure along with a certificate to the effect that their appointment, if made, will be within the prescribed limits under the Companies Act, 2013 and that they are not disqualified for appointment. They have also confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India. The Audit Committee and Board of Directors have reviewed their eligibility criteria as laid down under Section 141 of the Companies Act, 2013 and recommended the ratification of their re-appointment as Statutory Auditors for the financial year 2017-18 at a remuneration decided by the Board of Directors in consultant with Statutory Auditors and re-imbursement of out of pocket expenses as may be incurred by them for conducting the Statutory Audit.

The Company has appointed M/s. Hemant Goyal & Associates, Chartered Accountants, as Internal Auditors for the financial year 2016-17.

In accordance with the provisions of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board has appointed M/s. M. Gupta & Associates, Company Secretaries in Practice, as Secretarial Auditors for the financial year 2017-18. The Secretarial Audit Report for the financial year ended March 31, 2017 is set out in **Annexure '2'** to this Report. The Secretarial Audit Report does not contain any qualification, reservation, adverse remark or disclaimer.

CORPORATE GOVERNANCE

In terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 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 Corporate Governance Report, Business Responsibility Report etc. are not applicable to the Company.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Mr. Shailendra Apte, Director of the Company is liable to retire by rotation at the ensuing Annual General Meeting in accordance with the provisions of Section 152 of the Companies Act, 2013 and being eligible, has offered himself for re-appointment.

Information pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with respect to the Directors seeking Re-appointment is appended to the Notice convening the ensuing Annual General Meeting. The Board recommends their Re-appointment.

Ms. Snehal Saboo was appointed as Company Secretary of the Company under the provisions of Sections 2(51) and 203 of the Companies Act, 2013 read with the Companies (Appointment and Qualifications of Managerial Personnel) Rules, 2014 w.e.f. 27th April, 2017.

Mr. Shailendra Apte is the Chief Financial Officer (CFO) of the Company.

AUDIT COMMITTEE

The constitution of the Audit Committee as on 31st March, 2017 is as follows:

Name	Designation
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:

Director	Designation	Remuneration p.a. (Rs.)	Ratio
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 2016-17: Nil

c) Number of permanent employees on the rolls of the Company as on 31st March, 2017:

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: