



Wealth Visionaries



Annual Report 2017-18

OUR MANTRA

TO PROVIDE UNIQUE SOLUTIONS TO MEET CLIENT SPECIFIC NEEDS, GIVEN
TIME AND RESOURCE PARAMETERS

Institutional Equity : Investment Banking : Investment Advisory : Private Wealth

Service Differentiators:

- **Strategic Advice** - Ability to identify, structure and implement unique investment strategies.
- **Smart Trading** - Established, proven and efficient execution capabilities
- **Multiple Investment Advice** - supported through a customized Open Architecture Service
- **Multiple Execution Points** - Service supports Wide Array of Choice for Clients
- **Superior Technology** - Service to be delivered around New Generation Technology Platform

KHANDWALA SECURITIES LIMITED

BOARD OF DIRECTORS

Mr. Paresh J. Khandwala
Mrs. Bhagyashree Khandwala
Mr. Pranav Khandwala
Mr. Rohitasava Chand
Mr. Homiar Vakil

- Managing Director
- Executive Director / Chief Financial Officer (CFO)
- Non Executive Director
- Independent Director
- Independent Director

COMPANY SECRETARY

Mr. Abhishek Joshi

REGISTERED OFFICE

Ground Floor, Vikas Building,
Green Street, Fort,
Mumbai - 400 023.
Tel. No :- 91-22-40767373
Fax. No:- 91-22-40767377/78

STATUTORY AUDITORS

M/s. Aniket Kulkarni & Associates
Chartered Accountants
Unit 12, Highway Commercial Centre,
I.B. Patel Marg, Off. Western Express Highway,
Goregaon (East), Mumbai - 400063

BANKERS

Union Bank of India
Axis Bank Limited
HDFC Bank Limited
Canara Bank
IndusInd Bank

REGISTRAR & SHARE TRANSFER AGENT

Karvy Computershare Private Limited
Karvy Selenium, Tower B,
Plot No. 31 & 32, Financial District,
Nanakramguda, Gachibowli,
Hyderabad - 500 032, Telangana
Tel :- 91-40-67162222 / 33211000
e-mail:- support@karvy.com

LEGAL ADVISORS

Mulla & Mulla & Cragie Blunt & Caroe
(Advocates, Solicitors & Notaries)
Mulla House, 51, M.G.Road,
Mumbai – 400 001

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Dear Shareholders

It is always a pleasure and privilege to share with you our thoughts and views on the performance and prospects of the Company.

The world economy embarked on asynchronous recovery in 2018 but subsequently faced headwinds of trade protectionism and strong idealisation towards domestic-centric growth approach. In India too, the implementation of demonetisation and GST caused temporary set backs, particularly in the informal segment. As the effect of these aberrations faded, the Indian capital markets rebounded with smart recovery.

As the Indian economy surges ahead with significant GDP growth, what is interesting is the structural changes in the form of reforms like GST which are aimed at formalising the economy. Another interesting development has been the increasing interest of investors in India that has resulted in better liquidity. The overall financial services space has witnessed significant growth, particularly with more household savings getting invested in financial assets through Mutual Funds, Insurance, Banks, Direct Investments in Equities and Bonds, among others. This trend is only expected to increase in the days to come, and definitely augurs well for financial intermediaries and service providers.

Our well diversified and research-backed service offerings, strong brand equity, coupled with the latest technological infrastructure and strong risk management systems have resulted in consistent and steady stability in the business and in turn affecting the company on the positive side.

This year, your Company has reported an income of INR 383.68 Lacs down 22.55% from last year and Loss after tax of INR 75.10 Lacs, up 23.21% compared to the previous year loss. The Return on Equity has been (0.63) for FY 2017-18 to (0.51) for FY 2016-17. The Company's Networth is now INR 2772.32 Lacs with a balance sheet size of INR 4085.39 Lacs. Your Company's future endeavors will be to have a healthy financial performance and a strong balance sheet which will allow us to serve you even better, through good times or eventual lean ones.

As growth gathers momentum, and with favourable demographics, we expect higher savings tilted towards equity markets, especially via mutual funds and portfolio management services. Dwindling interest of households in real estate is also expected to shift a significant portion of the incremental savings in to the financial markets. As per data from CDSL & NSDL, there is already ~16 per cent increase in the number of active demat accounts. The financial sector in India is looking robust. Going forward, with improving income growth and favourable demographics, we can anticipate a surge in household savings moving towards the equity markets. This would continue to augur well for our industry and for your Company. We believe growth in FY19 shall largely be driven by government spending and progress of the fiscal multiplier effect. Overall, we see real GDP growth rising to 7 per cent in FY19.

To sum up, the strategic realignment of our businesses, the reallocation of our capital and the resulting changes in the value drivers has enhanced the earnings power of our Company. The key pillars of future growth that we have been methodically building, make us optimistic of continued strong performance in the years ahead. I would like to express my gratitude to our Board of Directors for their support and guidance. I am also grateful to all our stakeholders and employees who have reposed their trust in us and continued to give us support.

With best wishes,

Sincerely

Bhagyashree Khandwala
Executive Director / CFO

May 26, 2018

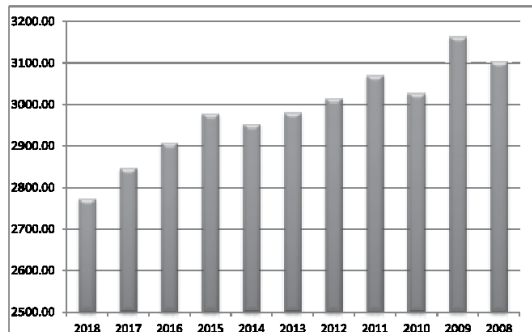
Performance Highlights

Standalone Financial Performance of Khandwala Securities Limited.

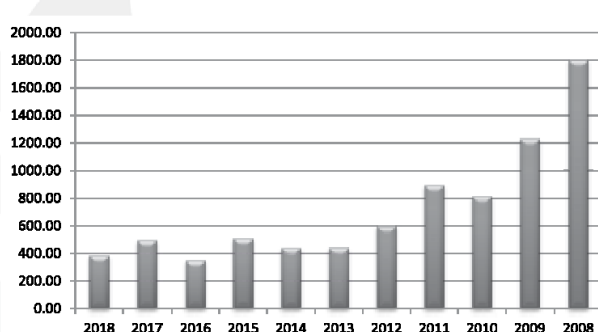
(₹ in Lakhs except per share data)

Year Ended March 31,	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Total Income	383.68	495.36	348.72	506.85	438.18	440.03	599.42	893.76	813.43	1231.07	1801.71
Total Expenditure	460.08	555.3	420.25	489.21	466.62	475.87	657.73	850.66	988.60	965.37	1030.71
Profit Before Tax	-76.40	-59.94	-71.53	17.64	-28.44	-35.83	-58.31	43.11	-175.18	260.70	771.00
Tax Expenses	1.30	1.02	-1.42	-7.46	-0.62	-0.83	-3.32	-0.27	-0.01	39.68	97.43
Net Profit	-75.10	-60.95	-70.11	25.10	-27.82	-35.01	-54.99	43.37	-175.17	226.02	673.57
Paid up Equity Capital	1193.90	1193.90	1193.90	1193.90	1193.90	1193.90	1193.90	1193.90	1193.90	1193.90	1193.90
Networth	2772.32	2846.52	2907.48	2977.58	2952.49	2980.31	3015.31	3070.30	3026.93	3163.82	3103.91
Diluted EPS (FV ₹ 10) (in ₹)	-0.63	-0.51	-0.59	0.21	-0.23	-0.29	-0.46	0.36	-1.66	1.67	5.58
BVPS (FV ₹ 10) (in ₹)	21.55	22.17	22.68	23.26	23.05	23.29	23.58	24.04	23.68	24.82	23.07

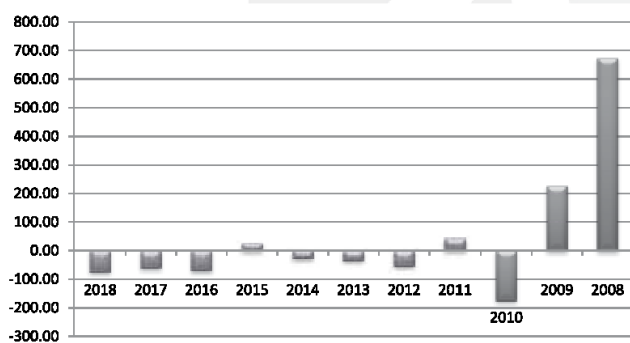
Network



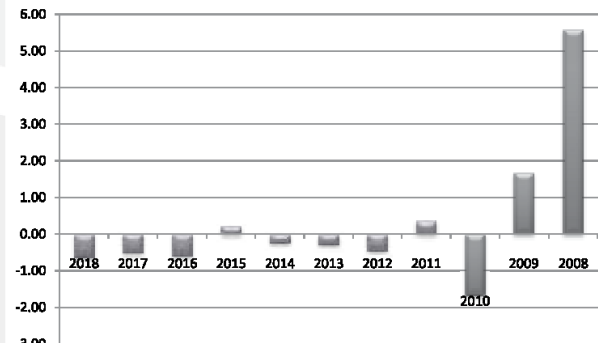
Total Income



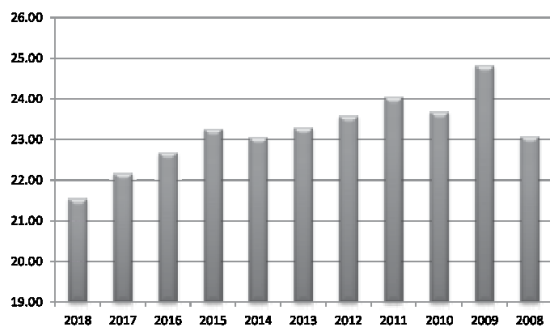
Net Profit



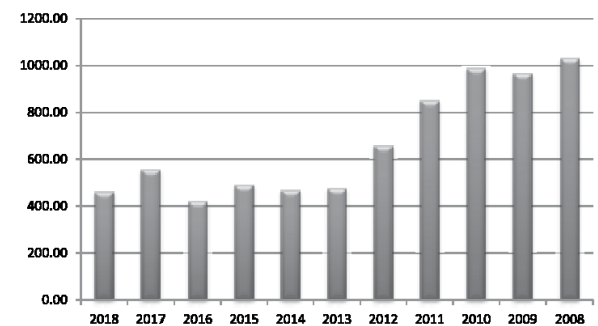
Diluted EPS (FV Rs. 10) (in Rs.)



BVPS (FV Rs. 10) (in Rs.)



Total Expenditure



NOTICE

Notice is hereby given that the Twenty Fifth Annual General Meeting of the Members of **Khandwala Securities Limited** will be held on Friday, September 21, 2018 at 12.30 p.m. at C. K. Nayudu Hall, in the Cricket Club of India (CCI), Brabourne Stadium, Churchgate, Mumbai – 400 020, to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt :-
 - a. the audited Financial Statements of the Company for the financial year ended March 31, 2018 together with the Report of the Directors and the Auditors thereon; and
 - b. the audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2018 together with the Report of the Auditors thereon.
2. To appoint a Director in place of Mr. Pranav Khandwala (DIN: 00519113), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

3. Increase in Borrowings Limits under Section 180(1)(c) of the Companies Act, 2013

To consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

“RESOLVED THAT in supersession of the earlier resolution passed by the Members at the Twenty First Annual General Meeting of the Company held on September 20, 2014 and pursuant to the provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 read with rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as ‘the Board’ which term shall include any Committee thereof) to borrow, from time to time, such sum or sums of money as they may deem necessary, for the purpose of the business of the Company, from any banks, financial institutions, firms, bodies corporate and/or any other entity, with or without security, and on such terms and conditions, as the Board at its sole discretion may deem fit, notwithstanding that the monies to be borrowed together with monies already borrowed by the Company (apart from temporary loans obtained from the Company’s bankers in the ordinary course of business) will exceed the aggregate of the paid-up share capital of the Company and its free reserves, provided that the total amount up to which monies may be borrowed by the Board shall not exceed the sum of Rs. 175 crores (Rupees One Seventy Five Crores only) at any point of time.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, proper, or desirable and to settle any question, difficulty, doubt that may arise in respect of the borrowing(s) aforesaid and further to do all such acts, deeds and things and to execute all documents and writings as may be necessary, proper, desirable or expedient to give effect to this resolution.”

4. Creation of Charges, Mortgages, Hypothecation on the Movable and Immovable Properties of the Company under Section 180(1)(a) of the Companies Act, 2013

To consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

“RESOLVED THAT in supersession of the earlier resolution passed in this regard and pursuant to the provisions of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 read with rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as ‘the Board’ which term shall include any Committee thereof) to mortgage, hypothecate, pledge, encumber and/or charge, including to sell, lease or otherwise dispose of on such terms and conditions as the Board may deem fit, all or any part of movable and/or immovable, tangible and/or intangible properties/assets of the Company, wherever situate, both present and future and/or the whole or part of any of the undertaking(s) of the Company, in favour of any persons(s) including but not limited to banks, financial institutions, corporate bodies and/or any other lending agencies, to secure the loans, financial assistance and/or other credit facilities (hereinafter referred to as “loans”), availed/to be availed by the Company, in Indian rupees or in foreign currency, from time to time, provided that the total amount of loans together with interest thereon, additional interest, compound interest, liquidated damages, commitment charges, premium on pre-payment or on redemption, costs, charges, expenses and all other monies payable by the Company in respect of the such loans for which the charge is to be created, shall not at any time exceed Rs. 175 Crores (Rupees One Seventy Five Crores).

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorised to finalize, settle and execute such documents / deeds / writings / papers / agreements / undertakings as may be required and to do all such acts, deeds and things, as it may in its absolute discretion deem necessary, proper or desirable and to settle any

question, difficulty or doubt that may arise in regard to creating mortgage/charge/pledge/hypothecation as mentioned aforesaid.”

5. Delivery of Documents under Section 20 of the Companies Act, 2013

To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 20 and other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder, whereby a document may be served on any member by the Company by sending it to him/her by post or by registered post or by speed post or by courier or by electronic mode or any other mode as may be prescribed, the consent of the Members of the Company be and is hereby accorded to charge from the member, fees in advance equivalent to the estimated actual expenses of delivery of the document(s), pursuant to any request made by the member for delivery of such document(s) to him/her, through a particular mode of services mentioned above provided such request along with requisite fees has been duly received by the Company at least 10 days in advance of the dispatch of documents by the Company.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors or Key Managerial Personnel of the Company be and are hereby severally authorised to do all acts, deeds, matters and things as they may in their absolute discretion deem necessary, proper or desirable to give effect to this resolution.”

**For and on behalf of the Board
Khandwala Securities Limited**

**Paresh Khandwala
Managing Director**

Date : August 11, 2018

Place : Mumbai

Registered Office:

Ground Floor, Vikas Building,
Green Street, Fort,
Mumbai - 400023

CIN: L67120MH1993PLC070709

Tel:- 91-22-40767373 Fax:- 91-22-40767377

E-mail:- investorgrievances@kslindia.com

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (“THE MEETING”) IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF / HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING THE PROXY IN ORDER TO BE EFFECTIVE, SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY, DULY COMPLETED AND SIGNED, NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING. A PROXY FORM IS ANNEXED TO THIS REPORT.
2. A person can act as proxy on behalf of Members not exceeding Fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. However, a member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
3. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of the above Special Businesses is annexed hereto.
4. Corporate Members intending to send their authorized representatives to attend the meeting are requested to send to the Company a certified true copy of their board resolution authorising their representative(s) to attend and vote on their behalf at the Meeting.
5. Members are informed that in the case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
6. Members / Proxies / Authorised Representatives are requested to bring the duly filled attendance slip enclosed herewith for attending the meeting, along with their copy of the Annual Report.
7. Members who holds shares in dematerialized form are requested to write their DP ID and Client ID number(s) and those who holds shares in physical form are requested to write their folio number(s) in the attendance slip for attending the meeting to facilitate identification of membership at the meeting.
8. Members desirous of obtaining any information concerning the accounts and operations of the Company are requested to address their questions in writing to the Secretary of the Company at least 10 days before the date of the AGM so that information required may be complied and made available at the Meeting.
9. The Register of Members and Share Transfer Books of the Company will remain closed from **September 14, 2018 to September 21, 2018** (both days inclusive).

10. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013 and the Register of contracts or arrangements in which directors are interested maintained, under Section 189 of the Companies Act, 2013 will be available for inspection by the members at the Annual General Meeting.
11. Relevant documents referred to in the accompanying Notice are open for inspection by the members at the Registered Office of the Company on all working days, except Saturdays, between 11.00 a.m. and 1.00 p.m. up to the date of the Annual General Meeting.
12. Pursuant to the provisions of Section 124 of the Companies Act, 2013, there are no dividends or interest which remains unpaid /unclaimed for a period of 7 years which should be transferred by the Company to the Investor Education Protection Fund (IEPF). Members are requested to note that no claims shall lie against the Company or IEPF in respect of any amounts which were unclaimed and unpaid for a period of seven years from the dates that they first became due for payment and no payment shall be made in respect of any such claims.
13. Members holding shares in physical form are requested to advise any change in their address or bank mandates to the Company/Karvy Computershare Private Limited, Registrar & Share Transfer Agent of the Company. Members holding shares in electronic form are requested to intimate any change in their address or bank mandates to their Depository Participants with whom they are maintaining their demat accounts.
14. Members holding the equity shares under multiple folios in the identical order of names are requested to write to the Karvy Computershare Private Limited, to consolidate their holdings in one folio.
15. According to SEBI directive, securities of Listed Companies can be transferred only in dematerialised form, from a cut-off date to be notified. Accordingly, Members holdings shares in physical form are requested to dematerialize the shares.
16. Members can avail the facility of nomination in respect of the equity shares held by them in physical form pursuant to the provisions of Section 72 of the Companies Act, 2013. Members desiring to avail this facility may send their nomination in the prescribed format duly filled in to the Registrar & Share Transfer Agent, M/s. Karvy Computershare Private Limited.
17. Brief resume of Directors proposed to be appointed/re-appointed, nature of their expertise in specific functional areas, names of the companies in which they hold directorships and memberships/chairmanships of Board Committees, shareholding and relationships between Director inter-se as stipulated under Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards on General Meetings (SS-2), are provided in the Annexure to the Notice.
18. The Notice of the 25th Annual General Meeting, Annual Report and Attendance Slip are being sent in electronic mode to those Members whose e-mail addresses are registered with the Company or the Depository Participants, unless any Member has requested for a physical copy. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted or requested modes.
19. Members are requested to bring their copies of the Annual Report at the Meeting.
20. Pursuant to the provisions of Section 101 of the Companies Act, 2013 read with the rules made thereunder, Companies can serve Annual Reports and other communications through electronic mode to those members who have registered their email addresses either with the Company or with the Depository. Members who have not registered their e-mail addresses so far are requested to register their e-mail address so that they can receive Annual Report and other communication from the Company electronically. Members holding shares in demat form are requested to register their e-mail address with their Depository Participants only. Members of the Company, who have registered their e-mail address, are entitled to receive such communication in physical form upon request.
21. The Route Map showing directions to reach the venue of the 25th Annual General Meeting is annexed in this Annual Report.
22. **Voting through electronic means**

In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, the Company is pleased to provide members facility to exercise their rights to vote at the 25th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting services. The facility of casting votes by the members using an electronic voting system from a place other than the venue of the Annual General Meeting (remote e-voting) will be provided by M/s. Karvy Computershare Private Ltd.

The Instructions for e-voting is enclosed with this Annual Report.

EXPLANATORY STATEMENT PURSUANT TO THE PROVISIONS OF SECTION 102 OF THE COMPANIES ACT, 2013**Item No. 3**

Pursuant to the provisions of Section 180(1)(c) of the Companies Act, 2013, borrowings (apart from temporary loans obtained from the Company's bankers in ordinary course of business) by the Company beyond the aggregate of the paid up share capital of the Company and its free reserves requires the approval from the Members of the Company.

The Members of the Company had vide special resolution passed at the Annual General Meeting of the Company held on September 20, 2014, authorized the Board of Directors to borrow monies (apart from temporary loans obtained from the Company's bankers in the ordinary course of business), on behalf of the Company not exceeding Rs. 150 Crores (Rupees One Fifty crores), for the business of the Company. However, keeping in view Company's requirements to fund its growing activities and operations, the Board of Directors of the Company at its meeting held on August 11, 2018, proposed to raise the existing borrowing limit from Rs. 150 Crores (Rupees One Fifty crores) to Rs. 175 Crores (Rupees One Seventy Five crores), which is subject to the approval of the Members of the Company.

None of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financial or otherwise, in the resolution set out at item no. 3 of the Notice.

Accordingly, the Board recommends the Special Resolution set out at item no. 3 of the Notice for the approval of members.

Item No. 4

Pursuant to the provisions of Section 180(1)(a) of the Companies Act, 2013, the Board of Directors can exercise its powers to mortgage, hypothecate, pledge and/or charge, on all or any part of movable or immovable properties of the Company, to secure its borrowings, only with the consent of the Members obtained by way of special resolution.

Therefore, the Board of Directors of the Company seeks the consent of the Members by way of Special Resolution under Section 180(1)(a) of Companies Act, 2013, to empower the Board to mortgage, hypothecate, pledge, encumber and/or charge including to sell, lease or otherwise dispose of both the movable or immovable properties and/or tangible or intangible assets of the Company, wherever situate, both present and future, and/or the whole or any part of the undertaking(s) of the Company in favour of banks, financial institutions, corporate bodies, other lending agencies or any other persons, for securing the loans, financial assistance and/or other credit facilities, availed/to be availed by the Company, together with interest and other charges thereon, up to a maximum limit of Rs. 175 Crores (Rupees One

Seventy Five crores only).

None of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financial or otherwise, in the resolution set out at item no. 4 of the Notice.

Accordingly, the Board recommends the Special Resolution set out at item no. 4 of the Notice for the approval of members.

Item No. 5

As per the provisions of Section 20 of the Companies Act, 2013, a document may be served on any Member by sending it to him by post or by registered post or by speed post or by courier or by delivery at his office or residence address or by such electronic or other mode as may be prescribed.

Further, proviso to sub-section (2) of Section 20 of the Companies Act, 2013 states that a Member may request for delivery of any document(s) through a particular mode, for which he shall pay such fees in advance as may be determined by the company in its Annual General Meeting. Accordingly, it is proposed to charge from Members a sum equivalent to the estimated actual expenses of delivery of the document(s) through a particular mode, if any request has been made by any Member for delivery of such document(s) to him/her through such mode of service, be taken to cover the cost of such delivery.

None of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financial or otherwise in the resolution set out at item no. 5 of the notice.

Accordingly, the Board recommends the Ordinary Resolution set out at item no. 5 of the Notice for the approval of members.

**For and on behalf of the Board
Khandwala Securities Limited**

**Paresh Khandwala
Managing Director**

Date : August 11, 2018

Place : Mumbai

Registered Office:

Ground Floor, Vikas Building,
Green Street, Fort,
Mumbai - 400023

CIN: L67120MH1993PLC070709

ANNEXURE TO THE NOTICE

Information of Director seeking appointment/re-appointment as required to be furnished under Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards on General Meeting (SS-2):

Name of the Director	Mr. Pranav Khandwala
DIN	00519113
Age	38 years
Qualification	B.Com & MBA
Date of Appointment	14/11/2011
Expertise in Functional area	Mr. Pranav Khandwala have an industry experience of more than over 10 years in identifying, creating and managing strategic business initiatives, resulting in enhanced business opportunities and value creation. He has a strong financial background with high levels of achievements in the Company which was not only the result of analysis and hard work but also strong communication abilities, team work and fire in the belly attitude for huge growth. He has completed 2 global Masters Programme from renowned universities in UK.
Terms and conditions of appointment / reappointment	Appointed as Non-Executive Director of the Company w.e.f December 4, 2016, liable to retire by rotation.
Remuneration last drawn (including sitting fee), if any	As mentioned in Corporate Governance Report
Number of board meetings attended during the year (2017-18)	2
Directorship held in other Companies in India	Khandwala Commodity & Derivatives Private Limited Trumonee Financial Limited Piggero Investments Private Limited
Memberships / Chairmanship of Committees in other Companies	Nil
No. of equity shares held in the Company	6,86,737
Relationship with Directors / Key Managerial Personnel, if any	Mr. Pranav Khandwala is the husband of Mrs. Bhagyashree Khandwala, Director & CFO and Mr. Pranav Khandwala is also the son of Mr. Paresh Khandwala, Managing Director of the Company.

DIRECTORS' REPORT

To

The Members,

Your Directors hereby presenting their Twenty Fifth Annual Report together with the audited financial statements of your Company for the financial year ended 31st March 2018.

FINANCIAL HIGHLIGHTS

The summary of the Company's financial performance, for the financial year 2017-18 as compared to the previous financial year 2016-17 is given below:

(Rs. in Lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Total Income	383.68	495.36
Financial Cost	27.73	34.57
Depreciation and Amortization Expenses	29.01	29.67
Profit / (Loss) before Exceptional Items & Tax	(76.40)	(59.94)
Exceptional Items	-	-
Profit / (Loss) before Tax	(76.40)	(59.94)
Provision for Tax	(1.30)	1.01
Profit / (Loss) after Tax	(75.10)	(60.95)
Other Comprehensive Income	0.90	-
Total Comprehensive Income for the Year	(74.20)	(60.95)

ADOPTION OF INDIAN ACCOUNTING STANDARDS (IND AS)

The Company has adopted Indian Accounting Standards (Ind AS) as notified by the Ministry of Corporate Affairs with effect from 1st April, 2017 with a transition date of 1st April, 2016. Accordingly, these financial statements comply with all aspects with the Ind AS notified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Companies Act, 2013.

The Comparative financial information of the Company for the year ended 31st March, 2017 and the transition date opening balance sheet as at 1st April, 2016 included in the Ind AS financial statements, are based on the previously issued statutory financial statements for the years ended March 31, 2017 and March 31, 2016 prepared in accordance with the Companies (Accounting Standards) Rules, 2006 as amended to those financial statements for the differences in accounting principles adopted by the Company on transition to the Ind AS.

DIVIDEND

In view of the losses incurred by your company during the year under review, no dividend has been proposed to be declared in the financial year 2017-18.

INFORMATION ON THE RESULTS OF OPERATIONS / STATE OF AFFAIRS

During the year under review, the standalone total income for the financial year was Rs. 383.68 lakhs as compared to Rs. 495.36 lakhs for the previous year. The total expenses incurred during the financial year was Rs. 460.08 lakhs as compared to Rs. 555.30 lakhs in the previous year. The Net loss after tax was Rs. 75.10 lakhs in the financial year as compared to Net loss of Rs. 60.95 lakhs in the previous year.

The detailed information on operational and financial performance of the Company are given in the Management Discussion & Analysis Report, forming part of this Annual Report.

LISTING WITH STOCK EXCHANGES

The equity shares of the Company are listed on National Stock Exchange of India Limited (NSE) and BSE Limited (BSE).

SUBSIDIARIES AND JOINT VENTURES

Your company does not have any subsidiary company or joint venture.

ASSOCIATE COMPANIES

During the year ended March 31, 2018, your Company had one associate Company i.e. Trumonee Financial Limited, within the meaning of Section 2(6) of the Companies Act, 2013.

CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated Financial Statements of the Company has been prepared in accordance with the applicable accounting standards. The audited consolidated financial statements together with auditor's report forms part of this Annual Report. A statement containing the salient features of the financial statement of associate Company as required under Sec.129(3) of the Companies Act, 2013 in the prescribed form i.e. "Form AOC-1" is annexed as "Annexure - 1" to this report.

Further pursuant to the provisions of section 136 of the Companies Act, 2013, the financial statement of the Company, consolidated financial statements along with relevant documents and separate audited accounts in respect of associate company are available on the website of the Company. The Company will also make available copy of audited accounts of the associate Company upon request by any member of the Company interested in obtaining the same.

EXTRACT OF ANNUAL RETURN

As provided under section 92(3) of the Companies Act, 2013 and the rules framed thereunder, the extract of annual return in the prescribed form MGT-9 is provided as "Annexure - 2" to this report.

MANAGEMENT DISCUSSION AND ANALYSIS

A detailed analysis of the Company's performance is explained in the Management Discussion & Analysis Report, forming part of this Annual Report.

DIRECTORS AND KEY MANAGERIAL PERSONNEL**a) Retirement by Rotation of the Directors**

Pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. Pranav Khandwala, retires by rotation at the ensuing Annual General Meeting and, being eligible, offers himself for re-appointment. The Board of Directors recommends his re-appointment.

b) Changes in Directors and Key Managerial Personnel

During the year under review, Mr. Kalpen Shukla, Chairman of the Board and Independent Director, vacated his office of directorship in the Company in accordance with section 167 of the Companies Act, 2013, effective from November 13, 2017, due to disqualification suffered u/s 164(2) of the Companies Act, 2013. The Board places on record its appreciation for the services rendered by Mr. Kalpen Shukla during his tenure as a Director of the Company.

The Board of Directors, on the recommendation of Nomination and Remuneration Committee, at their meeting held on November 13, 2017, re-appointed Mr. Paresh J. Khandwala as the Managing Director of the Company for a period of 5 years w.e.f January 1, 2018, subject to the approval of the members of the Company.

DECLARATION OF INDEPENDENCE

The Company has received declarations from all the Independent Directors confirming that they meet the criteria of independence as prescribed under the provisions of the Companies Act, 2013 read with schedules and rules issued there under as well as Regulations 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

MEETINGS OF THE BOARD OF DIRECTORS

During the financial year, the Board met 5 (five) times i.e. on May 29, 2017, June 23, 2017, August 9, 2017, November 13, 2017 and February 14, 2018. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013. The attendance details of directors at the Board Meetings are provided in the Corporate Governance Report.

COMMITTEES OF THE BOARD

The Board of Directors of the Company has constituted various Committees in compliance with the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 viz. Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee. The details of all the Committees along with their composition, terms of reference,

no. of meeting held during the year and attendance at these meetings, are provided in the Corporate Governance Report, forming part of this Annual Report.

BOARD EVALUATION

In compliance with the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors has carried out an annual evaluation of its own performance, board committees and individual directors. The performance of the board and its committees was evaluated after seeking inputs from all the directors on the basis of criteria such as composition of board/committee and structures, understanding of their roles and responsibilities, effectiveness of board/committee processes, providing of information and functioning, etc.

In a separate meeting of the Independent Directors of the Company, the performance of non-independent directors and performance of the board as a whole was evaluated taking into accounts the view of executive directors and non-executive directors.

The Board and the Nomination and Remuneration Committee reviewed the performance of the individual directors of the Company on the basis of their criteria such as effectiveness, performance, transparency, strategic thinking, quality of discussions at the meetings, etc. The performance evaluation of independent directors was done by the entire board. The Directors expressed their satisfaction with the evaluation process.

NOMINATION AND REMUNERATION POLICY

The Board has, on recommendation of Nomination and Remuneration Committee, framed a Nomination and Remuneration policy on appointment of Directors, key managerial personnel, senior management personnel and their remuneration including the criteria for determining qualifications, independence of directors, positive attributes, etc. The said policy is annexed to this report as "Annexure - 3".

DIRECTOR'S RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the information and explanations, obtained by them, your Directors make the following statements in terms of Section 134(3)(c) of Companies Act, 2013 that:

- (i) in the preparation of the annual accounts for the financial year ended 31st March, 2018, the applicable accounting standards have been followed along with proper explanations relating to material departures, if any;
- (ii) such accounting policies as mentioned in the notes to accounts have been selected and applied consistently and judgments and estimates have been made 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 loss of the Company for the year ended 31st March, 2018;

- (iii) proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) the Annual accounts are prepared on a going concern basis.
- (v) proper internal financial controls have been laid down and the same are adequate and were operating effectively ; and
- (vi) proper systems had been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

INTERNAL FINANCIAL CONTROLS AND THEIR ADEQUACY

The Company has in place adequate system for internal financial controls, commensurate with the size, scale and complexity of its operations. The Company has policies and procedures in place for ensuring proper and efficient conduct of its business, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The details in respect of internal control system and their adequacy are included in the Management's Discussion and Analysis, which forms part of this annual report.

RISK MANAGEMENT

The Company has a risk management framework which not only ensures timely identification of risks, analysis of the reasons for such risk, assessment of its materiality, assessment of its impact but also adequate risk mitigation processes. The Risk management framework encompasses all areas of the Company's business. The details of risk management including identification of elements of risk and their mitigation are provided in Management's Discussion and Analysis, which forms part of this annual report. The Audit Committee monitors the risk management plan and ensures its effectiveness.

RELATED PARTY TRANSACTIONS

All the Related Party Transactions that were entered during the financial year 2017-18 were on arm's length basis and in the ordinary course of business of the Company. Thus disclosure in form AOC-2 is not required. Further, there were no materially significant related party transactions entered by the Company during the year with the promoters, directors and key managerial personnel which may have a potential conflict with the interest of the Company. The disclosure with related parties is set out in the notes to accounts forming

part of the Annual Report. The Company has also adopted a related party transactions policy which is available on the website of the Company.

DEPOSITS

During the year under review, the Company has neither accepted nor renewed any deposits from the public under the provision of Section 73 and other applicable provisions, if any, of the Companies Act, 2013 read with the rules made thereunder.

PARTICULARS OF LOAN, GUARANTEES AND INVESTMENTS BY COMPANY

The particulars of loans, guarantees and investments made by the Company under Section 186 of the Companies Act, 2013, during the financial year, have been disclosed in the notes of the financial statements.

EMPLOYEES

Your Company is consciously aware that its well being largely depends upon the quality and strength of human resource. Your Company recognizes that human capital is its most valuable asset and thus endeavors to attract and retain the best available talent. Towards the end of FY 2018 your Company undertook an exercise to shrink the payroll head count to make it lean and more competitive. The Company through constant monitoring of its milestones and goals ensures that its operations are adequately staffed and in sync with requirements. Your Company's human resource policies are designed and implemented to achieve these objectives.

The Board wishes to place on record its appreciation for sincere and dedicated efforts put in by all the employees. Employee-Management relations continued to remain cordial throughout the year under review.

PARTICULARS OF EMPLOYEES

Pursuant to the provisions of Section 197(12) of Companies Act, 2013, the ratio of the remuneration of each Director to the median employee's remuneration and other details in term 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 as "Annexure - 4".

During the year under review, there was no employee was in receipt of remuneration exceeding the limits as prescribed under the provision of Section 197 of the Companies Act, 2013 read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

POLICY FOR PREVENTION OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE

The Company has adopted a policy on prevention of sexual harassment of women at workplace under the provisions of