

## DIRECTORS' REPORT:

To  
The Members,

Your Directors are pleased to present the Twenty Second Annual Report together with the audited accounts of the company for the year ended on **31<sup>st</sup> March, 2016**. The summarized financial results for the year ended 31<sup>st</sup> March, 2016 are as under:

### Financial Results:

<i>Particulars</i>	<i>Financial Year 2015-16 (Amount in Rs.)</i>	<i>Financial Year 2014-15 (Amount in Rs.)</i>
Revenue from Operations	-	-
Other Income	10,316	4,764
Total Income	10,316	4,764
Less:		
Total Expenditure	4,30,330	2,60,982
Profit/(Loss) Before Tax	(4,20,013)	(2,56,218)
Less:		
Total Tax Expenses	-	-
Profit After Tax (with prior period adj.)	(4,20,013)	(2,56,218)

### Operations:

During the year under review, the company has earned Total Income of Rs. 10,316/- (Rupees Ten Thousand Three Hundred Sixteen only) whereas Total Expenditure of Rs. 4,30,330/- (Rupees Four lacs thirty thousand three hundred thirty Only). The net Loss for the year under review has been Rs. 4,20,013/- (Rupees Four Lacs Twenty Thousand Thirteen Only). Your Directors are continuously looking for avenues for future growth of the company.

### Change in the Nature of Business:

There has been no change in the nature of the business during the financial year 2015-16.

### Dividend:

Your Directors have not recommended any dividend for the year ended 31st March, 2016.

### Transfer to Reserves:

The company has not transferred any amount to General Reserves during the financial year 2015-2016.

### Deposits:

During the year under review, your Company has not accepted or renewed any Deposit within the meaning of Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014. Hence, the requirement of furnishing details of deposits which are not in compliance with Chapter V of the Act, is not applicable.

**Change in Share Capital:**

During the financial year 2015-16, there has been no change in the share capital of the company.

**Disclosure regarding Issue of Equity Shares with Different Rights:**

The company has not issued any equity shares with differential voting rights during the Financial year and it is therefore not required to make disclosures specified in Rule 4 (4) of Companies (Share Capital and Debenture) Rules, 2014.

**Disclosure regarding issue of Sweat Equity Shares:**

The company has not issued any Sweat Equity Shares during the financial year and it is therefore not required to make disclosures specified in Rule 8 (13) of Companies (Share Capital and Debenture) Rules, 2014.

**Disclosure regarding issue of Employee Stock Option:**

The company has not issued any shares under Employee Stock Option Scheme during the financial year and it is therefore not required to make disclosures specified in Rule 12 (9) of Companies (Share Capital and Debenture) Rules, 2014.

**Extract of Annual Return:**

The Extract of Annual return in form no. MGT – 9 pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014 as on the financial year ended on March 31, 2016 is annexed herewith as **Annexure – I** to this report.

**Particulars of Loan, Guarantees and Investment:**

Particulars 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.

**Contracts or arrangements with Related Parties under Section 188(1) of the Companies Act, 2013:**

With reference to Section 134(3)(h) of the Companies Act, 2013, contracts and arrangements with related parties under Section 188(1) of the Act, entered by the Company during the financial year, were in the ordinary course of business.

Your attention is drawn to the Related Party disclosures set out in Note no. 19 to the notes forming part of accounts.

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

Considering the nature of activities undertaken by the company during the year under review, the provisions in respect of conservation of energy and technology absorption is not applicable to the company. Therefore, particulars relating to Conservation of Energy and Technology Absorption are not forming part of the Annual Report.

Further during the year under review, details of foreign exchange earnings and outgo are as given below:

<i>Particulars</i>	<i>Financial Year 2015-16</i> <i>(In Rs.)</i>	<i>Financial Year 2014-15</i> <i>(In Rs.)</i>
Earning in Foreign Currencies	NIL	NIL

Expenditure in foreign Currency	NIL	NIL
---------------------------------	-----	-----

**Material changes and commitments affecting the financial position of the company:**

There are no material changes and commitments affecting financial position of the company which have occurred between the end of financial year and date of report.

**Subsidiaries, Joint Ventures and Associate Companies:**

During the year under review, none of the companies has become or ceased to be Company's subsidiaries, joint ventures or associate companies.

**Report on the performance and financial position of each of the subsidiaries, associates and joint venture companies:**

During the year under review, none of the companies have become or ceased to be Company's subsidiaries, joint ventures or associate companies, therefore Report on the performance and financial position of each of the subsidiaries, associates and joint venture companies is not require to be given.

**Board of Directors and Key Managerial Personnel**

**Constitution of Board**

During the beginning of the Financial Year 2015-16, the Board of the Company comprised of Nine Directors, out of which Six were Promoter Directors and three were non-promoter Independent Directors and at the end of the Financial Year 2016 6 Directors, out of which 4 were promoter Director and 2 were non-promoter independent Director and as on the date of this report, as follows:

Name of Director	Category Cum Designation	Date of Appointment at current designation
Narsinhbhai. G. Patel	Managing Director (Promoter Director)	28 <sup>th</sup> April,2008
Naginbhai G. Patel	Executive Director (Promoter)	28 <sup>th</sup> April,2008
Amrish Jashvantlal Patel	Independent Director	11 <sup>th</sup> November, 2014
Dakshesh Rameshchandra Shah	Executive Director (Promoter)	28 <sup>th</sup> April,2008
Bhanubhai Ambalal Patel	Independent Director	1 <sup>st</sup> April, 2016
Pooja Narsinhbhai Patel	Non-Executive Promoter Director	1 <sup>st</sup> April,2016

1. Bhartiben Patel (Managing Director, Non-Executive Promoter Director), Naman Vyas (Independent Director) and Riken Patel (Independent Director) has resigned w.e.f. 10<sup>th</sup> March, 2016.
2. Shailesh Patel (Non-Executive Promoter Director) and Varun Patel (Executive Promoter Director) has resigned w.e.f. 1<sup>st</sup> April, 2016.

The composition of Board complies with the requirements of the Companies Act, 2013. Further, in pursuance of Listing Agreement, the Company is exempted from requirement of having composition of Board as per Listing Agreement.



None of the Directors of Board is a member of more than ten Committees or Chairman of more than five committees across all the Public companies in which they are Director. The necessary disclosures regarding Committee positions have been made by all the Directors.

During the year, Mr. Narsinhbhai G. Patel (DIN: 0373146) has been appointed as Managing Director of the Company w.e.f. 1.04.2016.

Mr. Naginbhai Patel (DIN: 0361230) director of the company retires by rotation and being eligible, offers himself for reappointment.

In accordance with Section 203 of the Companies Act, 2013, the Company has following Key Managerial Personnel as on date of the Board Report.

1. Mr. Narsinhbhai G. Patel– Managing Director
2. Mr. Mukesh Patel – Chief Financial Officer and Compliance Officer

#### **Declaration by Independent Director:**

As per the requirements of the Companies Act, 2013, declaration by the Independent Directors pursuant to section 149 (6) Companies Act, 2013 has received by company.

#### **No. of Board Meetings:**

During the financial year 2015-16, 4 meetings of the Board of Directors of the company were held on 13<sup>th</sup> May, 2015, 14<sup>th</sup> August, 2015, 09<sup>th</sup> November, 2015 and 30<sup>th</sup> January, 2016.

#### **Performance Evaluation**

The Board of Directors has carried out an annual evaluation of its own performance, board committees and individual directors pursuant to the provisions of the Act.

- The performance of the board was evaluated by the board, after seeking inputs from all the directors, on the basis of the criteria such as the board composition and structure, effectiveness of board processes, information and functioning etc.
- The performance of the committees was evaluated by the board after seeking inputs from the committee members on the basis of the criteria such as the composition of committees, effectiveness of committee meetings, etc.
- The board and the nomination and remuneration committee reviewed the performance of the individual directors on the basis of the criteria such as the contribution of the individual director to the board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc. In addition, the performance of chairman was also evaluated on the key aspects of his role.

Separate meeting of independent directors was held to evaluate the performance of non-independent directors, performance of the board as a whole and performance of the chairman, taking into account the views of executive directors and non-executive directors. The same was discussed in the board meeting that followed the meeting of the independent directors, at which the performance of the board, its committees and individual directors was also discussed. Performance evaluation of

independent directors was done by the entire board, excluding the independent director being evaluated.

**Directors' Responsibility Statement:**

In accordance with the provisions of Section 134 (3) (c) read with section 134 (5) of the Companies Act, 2013, the Board of Directors states:

- 1) That in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;
- 2) That 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 of the Company for that period;
- 3) That 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;
- 4) That the Directors have prepared the annual accounts on a going concern basis;
- 5) That 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;
- 6) 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.

**Particulars of Employees:**

The Company has not employed any employee except the Chief Financial Officer. Further, details of Remuneration paid to Chief Financial Officer is provided under the extract of Annual Return in Form MGT-9 along with the details of remuneration paid to Managing Director. Hence, the information required under Section 197(12) of the Companies Act, 2013 and rule 5(2) and 5(3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is not given separately.

**Receipt of Commission/Remuneration:**

The Directors of the Company have not received any Remuneration/Commission from the company during the financial year 2015-16.

**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:**

The Company has not received any significant and material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and Company's operations in Future.

**Internal Financial Control System:**

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The Company has an Internal Audit Department with adequate experience and expertise in internal controls, operating system and procedures. In discharging their role and responsibilities, the department is supported by an external audit firm. The Internal Audit Department reviews the adequacy of internal control system in the Company, its compliance with operating systems and laid down policies and procedures. Based on the report of internal audit function, process owners undertake corrective actions in their respective areas and thereby strengthen the controls. Significant audit observations and corrective actions thereon are presented to the Audit Committee of the Board.



**Disclosures under Sexual Harassment of Women at workplace (Prevention, Prohibition & Redressal) Act, 2013**

During the year under review, no complaints were received on Sexual Harassment.

**Risk Management**

The Company is aware of the risks associated with the business. It regularly analyses and takes corrective actions for managing/ mitigating the same. The Company has framed a Risk Management Framework for risk assessment and risk minimization which is periodically reviewed to ensure smooth operation and effective management control. The Audit Committee also reviews the adequacy of the risk management framework of the Company, the key risks associated with the business and measure and steps in place to minimize the same.

**Corporate Social Responsibility:**

Under Section 135 of the Companies Act, 2013 the provision of Corporate Social Responsibility is not applicable to the company for the financial year 2015-16.

**Committees of Board**

Your Company has constituted several Committees in compliance with the requirements of the relevant provisions of applicable laws and statutes, details of which are given hereunder.

**1. Audit Committee**

Audit Committee meeting is generally held once in quarter for the purpose of recommending the quarterly/half yearly/yearly financial results and the gap between two meetings did not exceed one hundred and twenty days. Additional meeting is held for the purpose of reviewing the specific item included in terms of reference of the Committee. The Audit Committee met four times during the financial year 2015-16 viz; 13<sup>th</sup> May, 2015, 14<sup>th</sup> August, 2015, 09<sup>th</sup> November, 2015 and 30<sup>th</sup> January, 2016.

The composition of the Committee and the details of meetings attended by its members are given below:

Sr. No.	Name of Director	Number of meetings during the financial year 2014 -15	
		Held	Attended
1	Mr. Amrish Patel	4	4
2	Mr. Riken Patel	4	4
3	Mr. Naman Vyas	4	4

Further, the Audit committee Comprises of the following directors as on the date of the Board Report.

Sr. No.	Name of Director	Category	Designation
1	Mr. Amrish Patel	Non-Executive Independent Director	Chairman
2	Mr. Bhanubhai Patel	Non-Executive Independent Director	Member
3	Mr. Narsinhbhai G.Patel	Executive Promoter Director	Member

Mr. Amrish Patel, the Chairman of the Committee had attended last Annual General Meeting of the Company held on 30th September, 2015.

Recommendations of Audit Committee, wherever and whenever given, have been accepted by the Board.

### **Vigil Mechanism**

The Company has established a vigil mechanism and accordingly framed a Whistle Blower Policy. The policy enables the employees to report to the management instances of unethical behavior, actual or suspected fraud or violation of Company's Code of Conduct. Further the mechanism adopted by the Company encourages the Whistle Blower to report genuine concerns or grievances and provide for adequate safe guards against victimization of the Whistle Blower who avails of such mechanism and also provides for direct access to the Chairman of the Audit Committee, in exceptional cases. The functioning of vigil mechanism is reviewed by the Audit Committee from time to time. None of the Whistle blowers has been denied access to the Audit Committee of the Board. The Whistle Blower Policy of the Company is available on the website of the Company at [www.gallopsenterprise.com](http://www.gallopsenterprise.com).

## **2. Nomination and Remuneration Committee**

The Company has formed Nomination and Remuneration committee in line with the provisions Section 178 of the Companies Act, 2013. Nomination and Remuneration Committee meetings are generally held for identifying the person who is qualified to become Directors and may be appointed in senior management and recommending their appointments and removal. During the year under review, three meetings were held on 9<sup>th</sup> November, 2015 inter alia, to recommend the appointment of Director and KMP's and to review the performance of Directors of the Company.

The composition of the Committee and the details of meetings attended by its members are given below:

Sr. No.	Name of Director	Number of meetings during the financial year 2014 -15	
		Held	Attended
1	Mr. Amrish Patel	1	1
2	Mr. Riken Patel	1	1
3	Mr. Naman Patel	1	1

Further, the Nomination and Remuneration committee Comprises of the following directors as on the date of the Board Report.

Sr. No.	Name of Director	Category	Designation
1	Mr. Amrish Patel	Non-Executive Independent Director	Chairman
2	Mr. Bhanubhai Patel	Non-Executive Independent Director	Member
3	Ms. Pooja Patel	Non-Executive Director	Member

### **Nomination and Remuneration Policy**

The Company has, in order to attract motivated and retained manpower in competitive market and to harmonize the aspirations of human resources consistent with the goals of the Company and in terms of the provisions of the Companies Act, 2013 devised a policy on Nomination and Remuneration of Directors, Key Managerial Personnel and Senior Management. Key points of the Policy are:

#### **A. Policy on Appointment of Directors, Key Managerial Personnel and Senior Management Personnel**

- The policy is formulated to identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP and Senior Management personnel and recommend to the Board for his / her appointment.



- A person should possess adequate qualification, expertise and experience for the position he/ she is considered for appointment.
- In case of appointment of Independent Director, the Committee shall satisfy itself with regard to the independent nature of the Director vis-à-vis the Company so as to enable the Board to discharge its function and duties effectively.

**B. Policy on remuneration of Director, key managerial personnel and senior management personnel**

The Company's remuneration policy is driven by the success and performance of the Director, KMP and Senior Management Personnel vis-à-vis the Company. The Company's philosophy is to align them and provide adequate compensation with the Objective of the Company so that the compensation is used as a strategic tool that helps us to attract, retain and motivate highly talented individuals who are committed to the core value of the Company.

The Nomination and Remuneration Policy, as adopted by the Board of Directors, is placed on the website of the Company at [www.gallopsenterprise.com](http://www.gallopsenterprise.com).

**3. Stakeholders Relationship Committee**

The Company has constituted Stakeholder's Relationship Committee mainly to focus on the redressal of Shareholders' / Investors' Grievances, if any, like Transfer / Transmission / Demat of Shares; Loss of Share Certificates; Non-receipt of Annual Report; Dividend Warrants; etc. During the year under review, Stakeholders Relationship Committee met Three times during the financial year 2015-16 on 14<sup>th</sup> August, 2015, 09<sup>th</sup> November, 2015 and 30<sup>th</sup> January, 2016.

The composition of the Committee and the details of meetings attended by its members are given below:

Sr. No.	Name of Director	Number of meetings during the financial year 2014 -15	
		Held	Attended
1.	Mr. Amrish Patel	3	3
2.	Mr. Narsinhbhaibhai Patel	3	3
3.	Mr. Naginbhai Patel	3	3

Further, the Stakeholder's Relationship Committee Comprises of the following directors as on the date of the Board Report.

Sr. No	Name of Director	Category	Designation
1	Mr. Amrish Patel	Non-Executive Independent Director	Chairman
2	Mr. Narsinhbhai G. Patel	Executive Promoter Director	Member
3	Mr. Naginbhai Patel	Executive Promoter Director	Member

**Corporate Governance and Management Discussion & Analysis**

The Company has been pro-active in following the principles and practices of good Corporate Governance. Provision of clause 49 relating to Corporate Governance and Management Discussion & Analysis are not applicable to the company vide SEBI Circular No. CIR/CFD/POLICY CELL/7/2014 dated 15th September, 2014 and therefore, Corporate Governance report and Management Discussion & Analysis are not forming part of the Annual Report.



## Secretarial Audit

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Ms. Nirali Patel, Practicing Company Secretary (COP No. : 10644), Ahmedabad, to undertake the Secretarial Audit of the Company for the financial year 2015-16. The Secretarial Audit Report is annexed herewith as Annexure – 2.

The Secretarial Audit Report contains few annotations and company is in process to resolve the same.

## Statutory Auditors:

M/s P. Doshi & Associates, Chartered Accountants who retire at the ensuing Annual General Meeting of the company are eligible for reappointment.

## Auditors Report:

As regards the comments made in the Auditor's Report, the Board is of the opinion that they are self-explanatory and does not warrant further clarification.

## Cost Audit:

Pursuant to Section 148 of the Companies Act, 2013 read with The Companies (Cost Records and Audit) Amendment Rules, 2014 Cost Audit is not applicable to the company for the year under review.

## Acknowledgement:

The Board expresses its sincere thanks to all the employees, customers, suppliers, investors, lenders, regulatory and government authorities and stock exchanges for their co-operation and support and look forward to their continued support in future.

For GALLOPS ENTERPRISE LIMITED

Date: September 01, 2016

Place : Ahmedabad

Narsinhbhai G. Patel

Nagin G. Patel

DIN: 00373146

DIN: 00361230

MANAGING DIRECTOR

DIRECTOR

**FORM NO. MGT 9**  
**EXTRACT OF ANNUAL RETURN**  
**as on financial year ended on 31.03.2015**

Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

**I. REGISTRATION & OTHER DETAILS:**

i	CIN	L65910G1994PLC023470
ii	Registration Date	31st October, 1994
iii	Name of the Company	Gallops Enterprise Limited
iv	Category/ Sub-category of the Company	Company Limited by Shares
v	Address of the Registered office & contact details	9th Floor, Astron Tech Park, Near Satellite Police Station, Satellite, Ahmedabad - 380015
vi	Whether listed company	Yes
vii	Name , Address & contact details of the Registrar & Transfer Agent, if any.	LINK INTIME INDIA PRIVATE LIMITED (Ahmedabad Branch) 506-508, Amarnath Business Centre -1, (ABC-1), Beside Gala Business Centre, Near Saint Xavier's College corner, off C. G. Road, Ellisbridge, Ahmedabad – 380006. Tel No.: 079-26465179

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:**

All the business activities contributing 10% or more of the total turnover of the company shall be stated

Sr. No.	Name & Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the company
1	Real Estate	70109[As per NIC Code , 2004]	0

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:**

Sr. No.	Name & Address of the Company	CIN/ GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
Not Applicable					