



**POWERHOUSE GYM & WELLNESS LIMITED**

(Formerly Known as Powerhouse Fitness & Realty Limited)

702 CONCORD CHS LTD.,JVPD SCHEME PLOT NO.1 NEAR SHIV  
SAGAR HOTEL,N.S.ROAD VILE PARLE [W] MUMBAI,MH 400049  
IN

CIN:L85190MH2013PLC240311,EMAIL

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To,

The Members,

Your Directors have pleasure in presenting their 4<sup>th</sup> Annual Report on the business and operations of the Company and the accounts for the Financial Year ended March 31, 2017.

**1. Financial summary or highlights/Performance of the Company** (Standalone)

The summarized results of your Company are given in the table below:

Amount in Rs.

	Current Year For the year ended March 31, 2017	Previous Year For the year ended March 31, 2016
Particulars		
Total Income	10,34,28,034	11,42,67,095
Profit/(loss) before Interest, Depreciation & Tax (EBITDA)	(1,06,85,496)	88,09,741
Finance Charges	12,31,666	15,83,318
Depreciation	2,23,41,033	57,65,584
Exceptional and Extra-Ordinary Items	--	--
Provision for Income Tax (including for earlier years)		
- Current Tax	--	3,00,000
- Deferred Tax	--	39,73,644
Net Profit/(Loss) After Tax	(3,42,58,195)	(28,12,805)
Profit/(Loss) brought forward from previous year	(11,16,737)	16,96,068
Profit/(Loss) carried to Balance Sheet	(3,53,74,931)	(11,16,737)

## **Business Review / State Of The Company's Affairs**

There was no change in nature of the business of the Company during the year under review.

The Company's revenue of operations for the financial year ended March 31, 2017 was Rs.9,86,06,521/- (Previous Year – Rs.11,15,91,952/-). The Company incurred a net loss of Rs.3,42,58,195/- during the year as against the loss of Rs.28,12,805/- incurred during the previous year.

### **2. Brief description of the Company's working during the year/State of Company's affair**

The Company is involved in the gymming business in India, committing itself in making India Healthy and Fit. Its USP providing world class gymming experience, facilitated by the professional trainers. Your Company provides the diverse fitness services apart from the standard gymming and fitness solutions like Zumba Programme, Spa, Massage, Aerobics, Yoga, Physiotherapy and many more.

### **3. Change in the nature of business, if any**

There is no Change in the nature of Business.

The company got Listed on SME IPO Platform on 21<sup>st</sup> October, 2014.

### **4. Dividend**

Due to losses incurred by then Company, the Board could not recommend any dividend for the year under review.

### **5. Share Capital**

The Paid up Equity Share Capital of the Company as on 31<sup>st</sup> March, 2017 was Rs. 6,90,00,000/- divided into 69,00,000 Equity Shares of Rs.,10/- each. During the year under review, the Company has not issued any shares.

### **6. Directors and Key Managerial Personnel**

Mr. Ankush Gupta (DIN: [02265108](#)) was re-appointed as Whole-time director of the Company for a period of three years w.e.f. 18<sup>th</sup> June, 2017

to 17<sup>th</sup> June, 2020 on a monthly remuneration of ₹. 1,00,000/- (Rupees One Lac Only).

Mr. Akshat Gupta (DIN: [02265121](#)) was re-appointed as Managing Director of the Company for a period of three years w.e.f. 18<sup>th</sup> June, 2017 to 17<sup>th</sup> June, 2020 on a monthly remuneration of ₹. 1,00,000/- (Rupees One Lac Only).

Mr. Vishnu Pratap Dhanman Dwivedi (DIN: [02090054](#)) and Ms. Shreya Suday Bagayatkari (DIN: [06902343](#)) are the Independent Directors of the Company.

Mr. Priyank Shishir Nevatia (DIN: [06902330](#)), Independent Director of the Company resigned on 04<sup>th</sup> January, 2017.

As per the provisions of the Companies Act, 2013, Independent Directors are required to be appointed for a term of five consecutive years, but shall be eligible for reappointment on passing of a special resolution by the Company and shall not be liable to retire by rotation. All other Directors will retire at the ensuing Annual General Meeting and, being eligible, offer themselves for re-election.

The Independent Directors of your Company have given the certificate of independence to your Company stating that they meet the criteria of independence as mentioned under Section 149 (6) of the Companies Act, 2013.

Mr. Ankush Gupta is the Compliance Officer and Ms. Shrishti Deora is the Chief Financial Officer of the Company.

## **7. Report On Corporate Governance**

Corporate Governance is about maximizing shareholders value legally, ethically and sustainability. The goal of Corporate Governance is to ensure fairness for every stakeholder. We believe Corporate Governance is critical to enhance

- Management Discussion and Analysis Report
- Report on Corporate Governance

## **8. Particulars of Employees**

As required under the provisions of Section 197 of the Companies Act, 2013, read with Rule 5 of the Companies (Appointment and

Remuneration of Managerial Personnel) Rules, 2014, information in respect of employees of the Company is not given, as there were no employees drawing remuneration beyond the prescribed limit under the above referred provisions.

## **9. Board Evaluation**

Pursuant to the provisions of the Companies Act, 2013 and provisions of the Listing Agreement, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit and Nomination & Remuneration Committees. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

## **10. Remuneration Policy**

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

### **Managerial Remuneration:**

A) Details of the ratio of the remuneration of each director to the median employee's remuneration and other details as required pursuant to Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. **(Annexure III)**

B) Details of the every employee of the Company as required pursuant to 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

C) Any director who is in receipt of any commission from the company and who is a Managing Director or Whole-time Director of the Company shall receive any remuneration or commission from any Holding Company or Subsidiary Company of such Company subject to its disclosure by the Company in the Board's Report.

D) The following disclosures shall be mentioned in the Board of Director's report under the heading "Corporate Governance", if any, attached to the financial statement:—

- (i) All elements of remuneration package such as salary, benefits, bonuses, stock options, pension, etc., of all the directors;
- (ii) Details of fixed component and performance linked incentives along with the performance criteria;
- (iii) Service contracts, notice period, severance fees;
- (iv) Stock option details, if any, and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable.

## **11. Auditors:**

The members had at the First Annual General Meeting held on August 07, 2014, approved the appointment of M/s Jain Anil & Associates (ICAI Firm Registration Number 115987W) as Statutory Auditors of the Company for the next five (5) financial years i.e. 2014-2015 to 2018-2019.

Pursuant to Rule 3(7) of the Companies (Audit and Auditors) Rules, 2014, the aforesaid appointment needs to be ratified by the members at the forthcoming Annual General Meeting. Accordingly, the Board of Directors recommends to the shareholders the ratification of appointment of M/s Jain Anil & Associates, as the Statutory Auditors of the Company for the financial year ending on March 31, 2018.

A certificate from M/s Jain Anil & Associates, Chartered Accountants that their appointment is within the prescribed limits under Section 141 of the Companies Act, 2013 has been obtained.

### **Auditors' Report**

The Auditors' Report does not contain any qualification. Notes to Accounts and Auditors remarks in their report are self-explanatory and do not call for any further comments

## **12. Secretarial Audit Report**

In terms of Section 204 of the Act and Rules made there under M/s Priyanka Dhabuka & Co., Practicing Company Secretary has been appointed as Secretarial Auditors of the Company. The report of the Secretarial Auditors is enclosed as **Form No. MR-3** to this report. The report is self-explanatory and does not call for any further comments.

### **13. Internal Audit & Controls:**

The Company continues to engage **M/s SudhirKedia & Co.** as its Internal Auditor. During the year, the Company continued to implement their suggestions and recommendations to improve the control environment. Their scope of work includes review of processes for safeguarding the assets of the Company, review of operational efficiency, effectiveness of systems and processes, and assessing the internal control strengths in all areas. Internal Auditors findings are discussed with the process owners and suitable corrective actions taken as per the directions of Audit Committee on an ongoing basis to improve efficiency in operations.

### **14. Policy:**

During the year the Company Formulated and Adopted Codes under SEBI (Prohibition Of Insider Trading) Regulations, 2015, Whistle Blower Policy/Vigil Mechanism, Risk Management Policy and also formulated and adopted Code of Independent directors and Code of for Board and Senior Management.

### **15. Board of Directors:**

Category	No. of Directors
Non-Executive & Independent Directors including the Chairman	2
Other Non-Executive Directors	-
Executive Director (CEO & Managing Director)	2
<b>Total</b>	<b>4</b>

The Chairman of the Board is an Executive Director.

As required under Section 149(3) of the Companies Act, 2013, & Clause 49(II) (A) (1) of Listing Agreement, Mrs. Shreya Suday Bagayatkar (DIN: [06902343](#)), a Woman Director, has been appointed as an Independent Director on the Board.

Other Relevant details of Directors:

Name of Director	Date of Appointment and Resignation	Category	No. Of Directorship(s) held in Indian public & private Limited	Committee(s) position

			Companies		
				Member	Chairman
Mr. ANKUSH GUPTA (DIN: <a href="#">02265108</a> )	08/02/2013	Whole-Time Director/ CEO	7	-	1
Mr. AKSHAT GUPTA (DIN: <a href="#">02265121</a> )	08/02/2013	Managing director	5	-	2
MR. VISHNU PRATAP DHANMAN DWIVEDI (DIN: <a href="#">02090054</a> )	18/06/2014	Independent Director	2	3	-
MR. PRIYANK SHISHIR NEVATIA (DIN: <a href="#">06902330</a> )	18/06/2014 (Resigned on 04/01/2017)	Independent Director	-	-	-
MRS. SHREYA SUDAY BAGAYATKAR (DIN: <a href="#">06902343</a> )	18/06/2014	Independent Director	1	3	-

### Board Meetings held during the year

<u>Dates on which the Board Meetings were held</u>	<u>Total Strength of the Board</u>	<u>No. Of Directors Present</u>
30 <sup>th</sup> May ,2016	5	5
05 <sup>th</sup> September,2016	5	5
09 <sup>th</sup> November,2015	5	5
14 <sup>th</sup> November,2016	5	5
04 <sup>th</sup> January,2017	5	5
14 <sup>th</sup> February,2017	4	4
23 <sup>rd</sup> February,2017	4	4

Name of Director	Attendance at the Board Meetings held on							Attendance at the AGM held on 30 <sup>TH</sup> September 16'
	30/05/2016	05/09/2016	09/11/2016	14/11/2016	04/01/2017	14/02/2017	23/02/2017	
Mr. ANKUSH GUPTA (DIN: <a href="#">02265108</a> )	P	P	P	P	P	P	P	P
Mr. AKSHAT GUPTA(DIN: <a href="#">02265121</a> )	P	P	P	P	P	P	P	P
MR. PRIYANK SHISHIR NEVATIA(DIN: <a href="#">06902330</a> ) (RESIGNED ON 04 <sup>th</sup> January,2017)	P	P	P	P	P	N.A.	N.A.	P
MR. VISHNU PRATAP DHANMAN DWIVEDI (DIN: <a href="#">02090054</a> )	P	P	P	P	P	P	P	P
MRS. SHREYA	P	P	P	P	P	P	P	P

SUDAY BAGAYATKAR(DIN: <a href="#">06902343</a> )								
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## **COMMITTEES OF THE BOARD.**

### **(a) Audit Committee (mandatory committee)**

The composition of the Audit Committee as at March 31, 2017 and details of the Members participation at the Meetings of the Committee are as under:

Name of Director	Category	Attendance at the Audit Meetings held on			
		30/05/2016	05/09/2016	14/11/2016	14/02/2017
Mr. Priyanka Nevatia	Non-executive and Independent	P	P	P	N.A.
Ms. Shreya Bagayatkarak	Non-executive and Independent	P	P	P	P
Mr. Vishnu Pratap Dwivedi	Non-executive and Independent	-	-	-	P
Mr. Ankush Gupta	Executive and Non-Independent	P	P	P	P

The Committee is governed by a Charter which is in line with the regulatory requirements mandated by the Companies Act, 2013 and with of the Listing Agreement. Some of the important functions performed by the Committee are:

- the recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- review and monitor the auditor's independence and performance, and effectiveness of audit process;
- examination of the financial statement and the auditors' report thereon;
- approval or any subsequent modification of transactions of the company with related parties;
- scrutiny of inter-corporate loans and investments;
- valuation of undertakings or assets of the company, wherever it is necessary;
- evaluation of internal financial controls and risk management systems;
- monitoring the end use of funds raised through public offers and related matters.

### **(b) Nomination and Remuneration Committee**

The composition of the Nomination and Remuneration Committee as at March 31, 2017 and details of the Members participation at the Meetings