

*23<sup>rd</sup> Annual Report*  
*2017-2018*



**JOINDRE CAPITAL SERVICES LTD**

# **JOINDRE CAPITAL SERVICES LIMITED**

## **MEMBERSHIP**

BSE LTD.

NATIONAL STOCK EXCHANGE OF INDIA LTD.

METROPOLITAN STOCK EXCHANGE OF INDIA LTD

## **DEPOSITORY PARTICIPANT**

CENTRAL DEPOSITORY SERVICES (I) LTD.

## **SUBSIDIARY COMPANY**

### **JOINDRE COMMODITIES LTD.**

## **MEMBERSHIP**

NATIONAL COMMODITY & DERIVATIVES EXCHANGE LIMITED

MULTI COMMODITY EXCHANGE OF INDIA LIMITED

## **LOCATION MAP OF M.C. GHIA HALL**





### 23<sup>rd</sup> ANNUAL GENERAL MEETING

Date : 1<sup>st</sup> September, 2018  
Day : Saturday  
Time : 10.00 A.M.  
Place : M.C. Ghia Hall (ITAMMA)  
Bhogilal Hargovindas Building,  
4<sup>th</sup> Floor, 18/20 Kaikhushru  
Dubash Marg, (behind Prince  
of Wales Museum),  
Mumbai - 400 001  
  
Book Closure : 25<sup>th</sup> August, 2018  
Date To  
1<sup>st</sup> September, 2018  
(Both days inclusive)

### CONTENTS ..... Page No.

Notice.....	2
Directors' Report .....	7
Report on Corporate Governance .....	21
Auditors' Report .....	30
Balance Sheet .....	33
Profit and Loss Account .....	34
Cash Flow Statement .....	35
Notes forming part of the Financial Statements .....	36
Consolidated Financial Statements .....	48
Proxy Form & Attendance Slip	

### BOARD OF DIRECTORS

<b>Anil Mutha</b>	Whole-time Director
<b>Dinesh Khandelwal</b>	Whole-time Director
<b>Paras Bathia</b>	Whole-time Director
<b>Subhash Agarwal</b>	Whole-time Director
<b>Sunil Jain</b>	Whole-time Director
<b>Haresh Mehta</b>	Independent Director
<b>Ramavtar Badaya</b>	Independent Director
<b>Ravi Sant Jain</b>	Independent Director
<b>Sonali Chaudhary</b>	Independent Director
<b>Veepin Thokal</b>	Independent Director

### COMPANY SECRETARY

**Vijay Pednekar**

### CHIEF FINANCIAL OFFICER

**Pramod Surana**

### AUDITORS

**Jigna Sheth Associates**  
Chartered Accountants

### BANKERS

Bank of India  
ICICI Bank Ltd.  
HDFC Bank Ltd.  
IDBI Bank Ltd.

### SHARE TRANSFER AGENTS

**Sharex Dynamic (India) Pvt. Ltd.**  
Unit-1, Luthra Ind. Premises,  
Andheri-Kurla Rd., Safed Pool,  
Andheri(E), Mumbai 400072.  
Tel. No. (022) 28515606, 28515644  
Fax No. 28512885  
e-mail : sharexindia@vsnl.com

### REGISTERED OFFICE

32, Raja Bahadur Mansion,  
Ground Floor, Opp. Bank of Maharashtra,  
Mumbai Samachar Marg,  
Fort, Mumbai - 400023.  
Tele No. (022) 40334720. Fax No. 40334721

### ADMINISTRATIVE OFFICE

Botawala Building, 2nd Floor,  
11/13, Horniman Circle,  
Fort, Mumbai - 400023.  
Tel. No. (022) 40334567,  
Fax No.40334568  
Website : www.joindre.com



## NOTICE

Notice is hereby given that the Twenty-third Annual General Meeting of the Shareholders of **JOINDRE CAPITAL SERVICES LIMITED** will be held on Saturday, 1<sup>st</sup> September, 2018 at 10.00 A.M. at M. C. GHIA HALL (ITAMMA), Bhogilal Hargovindas Building, 4<sup>th</sup> Floor, 18/20 Kaikhushru Dubash Marg, (Behind Prince of Wales Museum), Mumbai 400001 to transact the following business:

### ORDINARY BUSINESS

1. To receive, consider and adopt:
  - a) the Audited Standalone Financial Statement of the Company for the financial year ended 31<sup>st</sup> March, 2018 and the Report of the Board of Directors and the Auditors thereon; and
  - b) the Audited Consolidated Financial Statement of the Company for the financial year ended 31<sup>st</sup> March, 2018
2. To declare dividend on Equity Shares.
3. To appoint a Director in place of Mr. Paras Bathia (DIN 00056197), who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Mr. Sunil Jain (DIN 00025926), who retires by rotation and being eligible offers himself for re-appointment.

### SPECIAL BUSINESS

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

"RESOLVED THAT pursuant to the provisions of Section 14 and all other applicable provisions of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the approval of the members be and is hereby accorded to the adoption of new set of Articles of Association in substitution and to the entire exclusion of the regulations contained in the existing Articles of Association of the Company"

"RESOLVED FURTHER that any one of the Whole Time Directors and/or the Company Secretary of the Company be and are hereby jointly and severally authorised to do all such acts, deeds and things and take all such steps as may be necessary to give effect to this resolution."

**By Order of the Board**

Place : Mumbai  
Date : May 30, 2018

**Vijay Pednekar**  
**Company Secretary**

### Registered Office:

32 Raja Bahadur Mansion, Ground Floor,  
Opp. Bank of Maharashtra,  
Mumbai Samachar Marg,  
Fort, Mumbai 400 023.

## NOTES :

1. M/s. Jigna Sheth & Associates, Chartered Accountants, were appointed as Statutory Auditors of the Company at the Annual General Meeting held on 9<sup>th</sup> September 2017 for a term of five consecutive years, subject to ratification of appointment by members at every Annual General Meeting. In view of the amendment to Section 139 of the Companies Act, 2013, the Company is not required to ratify the re-appointment of the Statutory Auditors at every Annual General Meeting. Hence the item of ratification of re-appointment of Statutory Auditor is not required.
2. **The relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 relating to Special Business to be transacted at the Annual General Meeting is annexed to the Notice of Annual General Meeting.**
3. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

The Proxy, in order to be effective, should duly completed, stamped and signed and must be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.

A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten per cent 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.

Corporate Members intending to send their authorised representatives to attend the meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company, a certified copy of the relevant Board Resolution together with their respective specimen signatures authorising their representatives to attend and vote on their behalf at the meeting.

4. As per Secretarial Standard 2 on General Meeting the Proxy should carry a valid Photo ID Card to the venue to tender vote.
5. The notice of Annual General Meeting, Annual



Report and Attendance Slip are being sent in electronic mode to Members whose email address are registered with the Company or the Depository Participants., unless the member has registered his request for the hard copy of the same. Physical copy of the notice of Annual General Meeting, Annual Report and Attendance Slip is being sent to those members who have not registered their email address with the Company or Depository Participants. Members who have received the notice of Annual General Meeting, Annual Report and Attendance Slip in electronic mode are requested to print the Attendance Slip and submit it at the Registration Counter duly filled in and signed.

6. The Annual Report of the Company circulated to the Members of the Company will be made available on the Company's website at [www.joindre.com](http://www.joindre.com)
7. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote at the meeting .
8. Relevant documents referred to in the accompanying Notice and in the Explanatory Statements are open for inspection by the Members at the Company's Registered Office on all working days of the Company, between 11.00 am to 3.30 p.m. up to the date of the Meeting.
9. The Register of Members and Share Transfer Register of the Company will remain closed from Saturday, 25<sup>th</sup> August 2018 to Saturday, 1<sup>st</sup> September 2018 both the days inclusive for determining the names of members eligible for dividend on equity shares, if declared at the Annual General Meeting.
10. After the declaration of the dividend at the Annual General Meeting, the same will be paid on or before 10-09-2018 to those members:
  - a) whose names appear as member in the Register of Members of the Company after giving effect to valid share transfer in physical form lodged with the Company/Registrar and Share Transfer Agents on or before 1-9-2018.
  - b) whose names appear as Beneficial Owners in the List of Beneficial Owners at the close of business hours on 1-9-2018 furnished by National Securities Depository Limited and Central Depository Services (India) Ltd. for this purpose.
11. Pursuant to the provisions of Section 124(5) and 125 of the Companies Act, 2013 and the Investor Education and Protection Fund (Accounting, Audit,

Transfer and Refund) Rules, 2016, the Company has transferred on due dates, the unpaid or unclaimed dividends for the financial year ended 31st March, 2010 to the Investor Education and Protection Fund (IEPF) established by the Central Government. Pursuant to the Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 9th September, 2017 (date of the last Annual General Meeting) on the website of the Ministry of Corporate Affairs ([www.mca.gov.in](http://www.mca.gov.in)).

Members who have not so far received/encashed Dividend are requested to seek issue of duplicate warrant(s) by writing to the Company's Registrar & Transfer Agents, M/s. Sharex Dynamic (India) Private Limited immediately.

Pursuant to the provisions of Investor Education and Protection Fund (Uploading of Information regarding unpaid and unclaimed amounts lying with Companies) Rules 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on the date of last Annual General Meeting held in September 2017 on the website of Ministry of Corporate Affairs.

12. The members are requested to:
  - a) Intimate changes, if any, in their Registered address to the Registrar and Transfer Agents of the Company.
  - b) Quote ledger folio numbers in all their correspondence.
  - c) Get the multiple folios consolidated and also get the shares transferred in joint names if they are held in single name to avoid inconvenience in future.
  - d) Write at least 10 days prior to the date of Meeting, any information which they desire on the accounts, to enable the management to keep the information ready. Members may also email their queries at the email address : [info@joindre.com](mailto:info@joindre.com)
13. The facility for making nominations is available for shareholders, in respect of the shares held by them. Nomination forms can be obtained from Depository Participants (DPs) in respect of their holdings in electronic form and from the Company's Registrar and Transfer Agent in respect of their holding in physical form.

14. Information required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and Secretarial Standard 2 on General Meeting relating to documents and information to the Shareholders with respect to appointment of new Directors or re-appointment of the Directors retiring by rotation and being eligible, seeking re-appointment is as under:

Name of the Director	Paras Bathia	Sunil Jain
Director Identification Number	00056197	00025926
Date of Birth	27-03-1956	28-05-1965
Nationality	Indian	Indian
Date of appointment on Board	09-07-1998	21-03-1995
Qualification	B.Com.	B.Com., F.C.A.
Expertise in specific functional area	30 years experience in capital market	25 years experience in capital market
Shareholdings in Joindre Capital Services Ltd.	1266850	470160
Directorship (excluding foreign, private and Section 8 Companies)	Joindre Commodities Ltd.	Joindre Commodities Ltd.
Committee Memberships	Nil	Stakeholders Relationship Committee, Risks Management Committee
	There is no inter-se relationship between the Board Members	There is no inter-se relationship between the Board Members

15. **All the shareholders are requested to register their E-Mail id with the Company's Share Transfer Agents M/s. Sharex Dynamic (India) Private Limited for receiving all communications including Annual Report, Notices, Circulars etc. electronically.**

16. The Securities Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Share Transfer Agents M/s. Sharex Dynamic (India) Pvt. Ltd.

#### 17. Voting through electronic means

In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Rules 2015 and the Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Company is pleased to provide members facility of remote E-voting from a place other than venue of the Annual General Meeting to exercise their right to vote at the 23<sup>rd</sup> Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting platform provided by Central Depository Services (India) Ltd (CDSL). The company will also provide voting facility through polling papers at the meeting and the members attending the meeting who have not already cast their vote by remote E-voting may be able to exercise

their voting right at the meeting. Member who has cast their vote by remote E-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.

#### **The instructions for members for voting electronically are as under:-**

In case of members receiving e-mail:

- The voting period begins on Wednesday, 29<sup>th</sup> August 2018 at 10.00 a.m. and ends on Friday, 31<sup>st</sup> August 2018 at 5.00 p.m. During this period, shareholders of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date(record date) of Friday, 24<sup>th</sup> August 2018 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- Shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- Click on "Shareholders/Members"
- Now, enter your User ID
  - For CDSL: 16 digits beneficiary ID,
  - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - Members holding shares in Physical Form should enter Folio Number registered with the Company.
- Next enter the Image Verification as displayed and Click on Login.





(vii) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.

(viii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN*	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li> <li>In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>
Dividend Bank Details or Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth ( in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to Log in. If both the details are not recorded with the depository or company please enter the member ID/folio number in the Dividend Bank details field as mentioned in instruction (v).</p>

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant JOINDRE CAPITAL SERVICES LTD on which you choose to vote.
- (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take out print of the vote cast by you by clicking on "Click here to print" option on the Voting page.
- (xviii) If Demat account holder has forgotten the changed login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xx) **Note for Non Individual Shareholders and Custodians**
- Non individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.



- The list of accounts linked in the Login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xxi) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (FAQs) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under the help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)

#### **Other Instructions:**

- 1 The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of Friday 24<sup>th</sup> August 2018.
- 2 Members have an option to vote either through e-voting or casting a vote at the meeting. If a Member has opted for e-voting, then he/she should not cast his vote at the meeting.
- 3 Mr. Pradip C. Shah ( FCS1483 ), Partner of M/s. P. P. Shah & Company, Practicing Company Secretaries, has been appointed as the Scrutinizer to scrutinise the e-voting process in a fair and transparent manner.
- 4 The Scrutiniser shall within a period not exceeding 2 working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutiniser's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.

The Results declared along with the Scrutiniser's Report shall be placed on the Company's website [www.joinre.com](http://www.joinre.com) and on the website of CDSL within 2 working days of passing of the resolutions at the Annual General Meeting of the Company and communicated to BSE Ltd.

18. Route map showing directions to reach the venue of the 23<sup>rd</sup> Annual General Meeting is given as per the requirement of the Secretarial Standard 2 on General Meetings

#### **19. Explanatory Statement in respect of Special Business pursuant to Section 102 of the Companies Act, 2013**

**The following statement sets out all material facts relating to the Business at item No.5 mentioned in the accompanying notice.**

The existing Articles of Association ("AoA") of the Company, based on the Companies Act, 1956 are no longer in conformity with the Companies Act 2013. Because of this several regulations of AoA require alteration/deletion. It is proposed to amend/replace the existing Articles of Association with a new set of Articles of Association (primarily based on Table F set out under Schedule I to the Companies Act, 2013).

In terms of Section 14 of 2013 Act, consent of Members by way of a Special Resolution is required for adoption of a new set of Articles of Association. The entire set of proposed new Articles of Association is available in the website of the Company. The Members of the Company can also obtain a copy of the same from the Company's Registered Office.

None of the Directors, Key Managerial Personnel and their relatives are in any way concerned or interested in the said Resolution set out at item No. 5

The Directors recommend the aforesaid Resolution for the approval by the Members as Special Resolution.

**By Order of the Board**

Place: Mumbai  
Date: May 30, 2018

Vijay Pednekar  
**Company Secretary**

#### **Registered Office:**

32 Raja Bahadur Mansion, Ground Floor,  
Opp. Bank of Maharashtra,  
Mumbai Samachar Marg,  
Fort, Mumbai 400 023.



## DIRECTORS' REPORT AND MANAGEMENT DISCUSSION AND ANALYSIS

To

The Members,

The Board of Directors are pleased to present herewith the Twenty-third Annual Report of your Company together with the Audited Financial Statements for the financial year ended 31<sup>st</sup> March, 2018. The Management Discussion and Analysis has also been incorporated into this report.

### 1. FINANCIAL RESULTS

Particulars	(₹ In Lakhs)	
	Year Ended 31 <sup>st</sup> March, 2018	Year Ended 31 <sup>st</sup> March, 2017
Gross Total Income	3200.26	2858.07
Expenditure	2446.95	2008.15
Finance Cost	40.31	43.62
Gross Profit ( Loss )	713.00	806.30
Depreciation	8.72	12.57
Profit / (Loss) Before Tax	704.28	793.73
Tax Expenses		
Current	137.25	257.00
MAT credit entitlement	-28.95	-
Deferred	0.34	-1.82
Provision for Earlier Year	-	-0.09
Net Profit (Loss) after Tax	595.64	538.64
Balance B/f from last Year	3654.41	3240.67
Appropriations:		
Proposed Dividend *	-	103.77
Tax on Equity Dividend *	-	21.13
Balance c/f to the Balance Sheet	4250.05	3654.41

\* Please refer note No. 3 - Dividend

### 2. OVERVIEW OF FINANCIAL PERFORMANCE

The Company has a Trading-cum-Clearing Membership of BSE Ltd and National Stock Exchange of India Ltd in their Cash and Derivative segment and Trading Member of Metropolitan Stock Exchange Ltd in Currency Derivatives and providing Capital Market services through the network of branches and sub-brokers/authorised persons.

The Company is also a Depository Participant of Central Depository Services (I) Ltd and providing the depository services to the Clients.

Total Income for the year increased to Rs 3200.26 lakhs as compared to Rs. 2858.07 lakhs last year. Total profit before tax for the year 704.28 lakhs as against Rs. 793.73 lakhs last year and the net profit after tax was Rs. 595.64 lakhs as against Rs.538.64 lakhs last year.

M/s. Joindre Commodities Ltd., a subsidiary of the Company, is providing services for trading in commodity futures as a members of National Commodity & Derivatives Exchange Limited and Multi Commodity Exchange of India Ltd.

### 3. DIVIDEND

Your Directors are pleased to recommend a dividend of Rs.0.75 per Equity Share of Rs. 10/- each (previous year Rs. 0.75 ). The total outgo for the current year

amounts to Rs.124.90 lakhs including dividend distribution tax of Rs. 21.13 lakhs (previous year Rs. 124.90 lakhs including dividend distribution tax of Rs. 21.13 lakhs)

Pending approval of the shareholders for proposed dividend for the year 2017-18, the same is not recognized in financial statements of the current financial year. In this connection please refer to note No. 24-(b) on financial statements for the year ended 31<sup>st</sup> March 2018.

### 4. APPLICABILITY OF INDIAN ACCOUNTING STANDARDS

The Ministry of Corporate Affairs has notified Indian Accounting Standards (Ind-AS) vide its notification dated 16<sup>th</sup> February, 2015. Further, the Ministry of Corporate Affairs has amended the Companies (Indian Accounting Standards) Rule, 2015 vide its Notification No. G.S.R. 365 (E) dated 30<sup>th</sup> March, 2016. As per the said notification, the Companies (Indian Accounting Standards) (Amendment) Rule, 2016 has defined the NBFC Company. As per the said definition, the Stock Broker / Sub-broker companies are included in the definition of NBFC Company. As per Rule 4 (iv) (b) of the said rules, the Ind-AS will be applicable to your Company w.e.f. 01<sup>st</sup> April, 2019.

### 5. GOODS AND SERVICE TAX (GST)

The Goods and Services Tax (GST) is a landmark reform which will have a lasting impact on the economy and on businesses. Your Company has successfully implemented and migrated to GST with effect from 01<sup>st</sup> July, 2017.

### 6. PORTFOLIO MANAGER SERVICES

The Company proposes to start Portfolio Manager Services (PMS) and has made the necessary application for registration as Portfolio Manager to the Securities and Exchange Board of India and the necessary approval is awaited.

### 7. SHARE CAPITAL

The paid up Equity Share Capital as on 31<sup>st</sup> March, 2018 was Rs. 1383.64 Lakhs. During the year under review, the Company has not issued any shares with differential voting rights nor granted stock options nor sweat equity. As on 31<sup>st</sup> March, 2018, the Directors of the Company hold the Equity Shares of the Company as follows:

Name of the Director		Number of Shares	% of Total Capital
Mr. Anil Mutha	Whole Time Director	1771000	12.80
Mr. Dinesh Khandelwal	Whole Time Director	771600	5.58
Mr. Paras Bathia	Whole Time Director	1266850	9.16
Mr. Subhash Agarwal	Whole Time Director	565450	4.09
Mr. Sunil Jain	Whole Time Director	470160	3.40
Mr. Haresh Mehta	Independent Director	Nil	NA
Mr. Ramavtar Badaya	Independent Director	Nil	NA
Mr. Ravi Jain	Independent Director	Nil	NA
Mrs. Sonali Chaudhary	Independent Director	Nil	NA
Mr. Veepin Thokal	Independent Director	1000	0.00

## 8. FINANCE

Cash and cash equivalent as at 31<sup>st</sup> March, 2018 was Rs. 4662.68 lakhs. The Company continues to focus on judicious management of its Working Capital. Receivables, Inventories and other Working Capital parameters were kept under strict check through continuous monitoring.

### 8.1 DEPOSITS

The Company has not accepted deposit falling within the ambit of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

### 8.2 PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Details 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.

### 8.3 TRANSFER TO RESERVES

The Board do not propose to transfer any amount to General Reserve or any other Reserves.

## 9. CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

The criteria prescribed for the applicability of Corporate Social Responsibility under Section 135 of the Companies Act, 2013 is not applicable to the Company.

## 10. BUSINESS RISK MANAGEMENT

The main activities of the Company is retail stock broking through the network of branches and sub-brokers, authorised persons. The Compliance Department ensures that various existing policies regarding registration of clients, risks relating to client level, dealing in penny stocks, exposure limit, brokerage rates, suspending/ closure of client's account etc. are in place in compliance with the Exchange Rules and Regulations so that business risk is minimised and there are no penal action by the Regulatory Authorities. The Company has taken adequate measures to secure interest of the clients. The Trader Terminal provided to the client, offer on line real time data such as ledger balance of stock and funds position etc. Company transfers clients' funds and securities to their designated bank and demat account and all receipt and payment from/to clients are through account payee cheque only and no cash payment/acceptance is permitted. Your Company's risk management system comprises of prudential norms, timely reporting and stringent controls. The various policies of the company, internal control systems ensures operational efficiency and mitigate risk. Technology is an integral part of the Company's business operations and hence to mitigate the risk to technology failure, your company has taken up steps like use of sophisticated firewalls to protect the IT infrastructure from hacking/data leakage and security breaches, multiple options for internet bandwidth and internet connectivity. The Client level risk in broking operations is managed through system.

Risks Management Committee: Though under Regulation 21 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, it is not mandatory

for the Company to constitute Risks Management Committee, however, the Company has formed the Risks Management Committee. In the board meeting there is a formal discussion on identifying risk to the business and how to mitigate the same. The Board periodically reviews the company's financial and risk management policies, systems and framework and ensures that risk is minimised.

## 11. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has an Internal Control System, commensurate with the nature of business, size, scale of its operations. The Company monitors and evaluates the efficacy and adequacy of internal control system, its compliance with operating systems, accounting procedures and other policies of the Company. Based on the report of Statutory Auditors as well as periodic internal audit function carried out by a firm of Chartered Accountant, corrective action in the respective areas is taken thereby strengthen the controls. The significant audit observations and corrective actions thereon are presented to the Audit Committee and the Board periodically. Also there is a full fledged Compliance Department to ensure statutory compliances.

## 12. VIGIL MECHANISM/WHISTLE BLOWER POLICY

The Company has a vigil mechanism through a Whistle Blower Policy for Employees to deal with instance of fraud and mismanagement, if any. The details of the Whistle Blower Policy is explained in the Corporate Governance Report.

## 13. SUBSIDIARY COMPANY

The Company has one Wholly Owned Subsidiary Company, M/s. Joindre Commodities Ltd (JCL). The salient features of financial statement of the Subsidiary, pursuant to the first proviso to sub-section 3 of section 129 read with rule 5 of the Companies (Accounts) Rule 2014, in the Form AOC-1 is given below:

(Rs in Lakhs)

Sr.No	Particulars	Joindre Commodities Ltd
1	Reporting Period	April 2017 to March 2018
2	Reporting Currency	Rupees
3	Country	India
4	Exchange Rate	NA.
5	Share Capital	75.00
6	Reserves and Surplus	49.23
7	Total Assets	137.81
8	Total Liabilities	137.81
9	Investment other than Investment in subsidiary	0
10	Turnover	8.97
11	Profit before taxation	0.16
12	Provision for Taxation	0.05
13	Profit after taxation	0.11
14	Proposed Dividend	Nil