

23RD ANNUAL REPORT

2015-16



Wealth Visionaries

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

www.kslindia.com

KHANDWALA SECURITIES LIMITED

BOARD OF DIRECTORS

Mr. Shreedhar M. Parande - Chairman / Independent Director
Mr. Paresh J. Khandwala - Managing Director
Mr. Pranav Khandwala - Director / Chief Financial Officer
Mr. Kalpen Shukla - Independent Director
Mr. Rohit Chand - Independent Director
Mr. Homiar Vakil - Independent Director
Mrs. Bhagyashree Khandwala - Director

Mr. Abhishek Joshi - Company Secretary & Compliance Officer
(Appointed w.e.f September 3, 2015)

REGISTERED OFFICE

Ground Floor, Vikas Building,
Green Street, Fort,
Mumbai - 400 023.
Tel. No :- 91-22-40767373/74
Fax. No:- 91-22-40767377/78

AUDITORS

M/s. Udyen Jain & Associates
Chartered Accountants,
201, 2nd Floor, Tower S4,
Phase II, Cyber City,
Magarpatta Township,
Hadapsar, Pune – 411013

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 number 31 & 32, Financial District,
Gachibowli, Hyderabad 500 032

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,

Since the last one year, our goal has been to build the organization towards generating a sustainable 20% return on Equity and a strong competitive positioning in each of our businesses. We have been executing this by focusing on building key pillars.

Our first endeavor is reinventing our traditional capital markets business, which includes retail broking, institutional broking, investment management and investment banking. These have seen market cycles and have time-tested robust business models. We are strengthening our value proposition in each of them to further consolidate our business operations and achieve sustainable profitability. We see tremendous growth opportunity and are confident of building a meaningful market share in this space. For the next two years this is now going to be a meaningful contributor to the Company's topline and profits.

Here we would like to take this opportunity to introduce our Guiding Principles which will be the principal authority that will govern and drive us in the direction of creating value for all our shareholders. These principles are a blend of our ideals, culture and business ethics that clarifies and eases decision-making, and will ensure that the Company takes the right path, for the right reasons, without compromising on the long-term vision. As we evolve to become more customer centric, these Guiding Principles are going to be pivotal to our business strategy. These new principles recognize that we are able to enhance our customers and stakeholders' experience by understanding their needs and acting in their best interests at all times. Now with the inclusion of these new Guiding Principles, customer centricity is on its way to becoming an integral part of the KSL culture.

KSL: Guiding Principles

1. We will be **Fair** to our clients, our employees and all stakeholders
2. We will **Obey** and Comply with the rules of the land. We will maintain the highest standard of integrity and honesty. When we are unclear we will seek clarification
3. We will respect **Risk**. Our business is going to be a constant challenge of balancing risk and reward. Our ability to constantly keep one eye on risk will guide us through this fine balance
4. We will be a Thinking Organization. We will constantly bring thought to everything we do. Our clients' and our success depend on our ability to use greater ideation and more imagination in our approach
5. We will take care of our **People**. Our policies – in spirit and in letter – will ensure transparency and equal opportunity for all. We will go beyond the normal goals of attracting, recruiting, retaining and rewarding fine talent. We will ensure that every individual in KSL has an opportunity to achieve their fullest potential
6. We will operate as a **Partnership**, internally and externally. Though individuals are very often brilliant, we believe teamwork and collaboration will always ensure a better and more balanced organization. We will also treat our clients as partners and show them the same respect and consideration that we would towards our internal team members
7. We will focus on the **Long-term**. Though the world will change a lot in the coming years and our assumptions for the future may not hold up, we will reflect on the long-term implications of our actions. Even when making short-term decisions we will be aware of the long-term implications
8. We will focus on **Growth** for our clients, employees and shareholders
9. Our **Reputation and Image** is more important than any financial reward. Reputation is hard to build and even harder to rebuild. Reputation will be impacted by our ability to think for our clients, maintain confidentiality and by our adherence to our value system
10. We will endeavor to grow, protect, and use our **Financial Capital** wisely
11. We are defined by the **Experience** our customers have with us. We will strive to make it outstanding at all times
12. We recognize that we need to satisfy the **Needs**, sometimes conflicting, of all stakeholders; shareholders who entrust us with their capital, employees who create the organization, customers who are the reason we exist and society which has given us the resources and opportunity to create value
13. We will **Listen** to our customers. Listening is the start of the relationship wherein we understand their needs and fulfill these with the most appropriate products and solutions

This year, your Company has reported an income of Rs. 348.72 lacs down 31.20% from last year, and Profit After Tax of Rs. (70.11) lacs, down compared to the previous year profit. The Return on Equity has been (0.02)% for FY2016 to 0.21% for FY2015. The Company's Networth is now Rs. 2907.48 lacs with a balance sheet size of Rs. 4070.09 lacs. Your Company's future endeavors will be to have a healthy financial performance and a solid balance sheet which will allow us to serve you even better, through good times as well as lean ones.

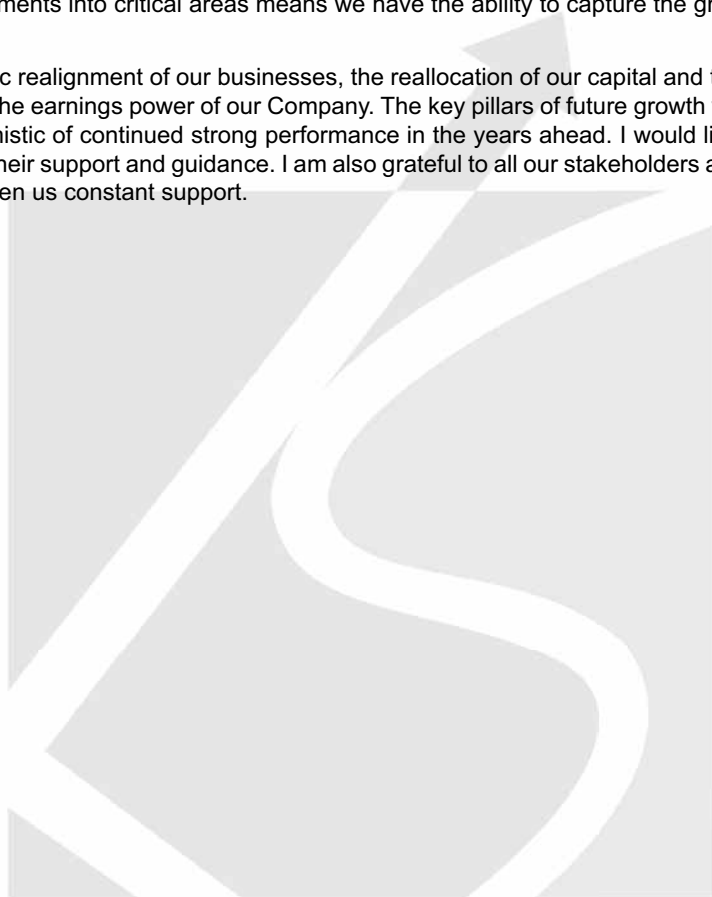
At a broader level, India remains relatively attractive, despite challenges impacting other emerging markets. The benchmark Nifty has outperformed most emerging market peers in US\$ terms on a 10-year basis, except for China. Net outflows by FIIs countered by healthy net inflows by DIIs, who made a comeback due to the strong macros, growth expectations and reducing returns of other asset classes. During the year, the government launched several initiatives to drive growth, investments and competitiveness, apart from controlling the macro situation. However, these positives are yet to translate into increased market activity. As reforms gain speed and capex gathers momentum, it should give a fill-up to market activity and investor sentiments. Our investments into critical areas means we have the ability to capture the growth opportunities as they unfold further.

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 which 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 given us constant support.

**With best wishes,
Sincerely**

**Pranav Khandwala
Director / CFO**

May 20, 2016

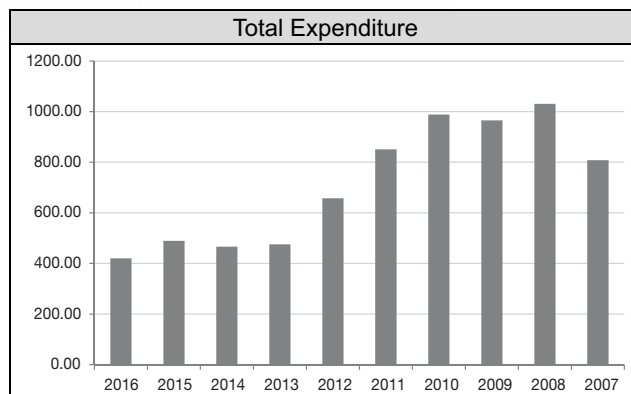
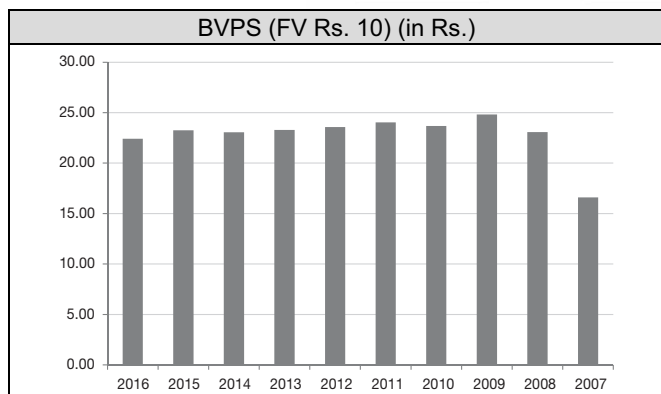
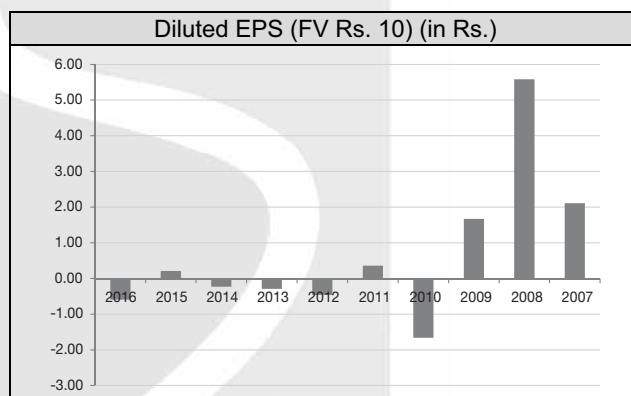
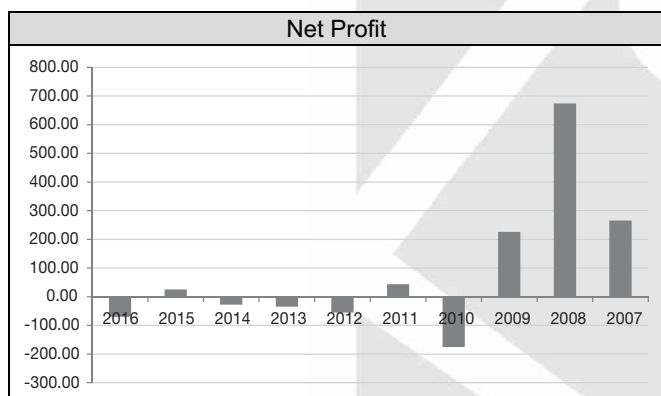
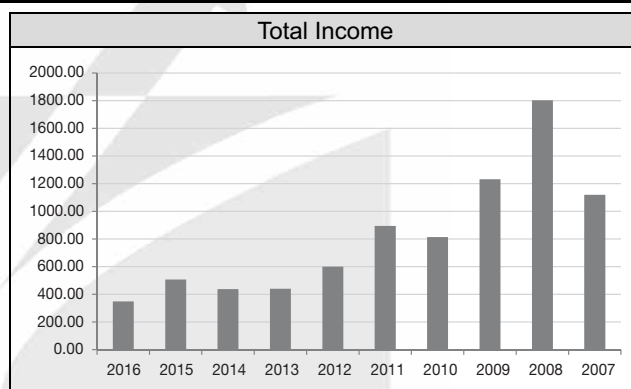
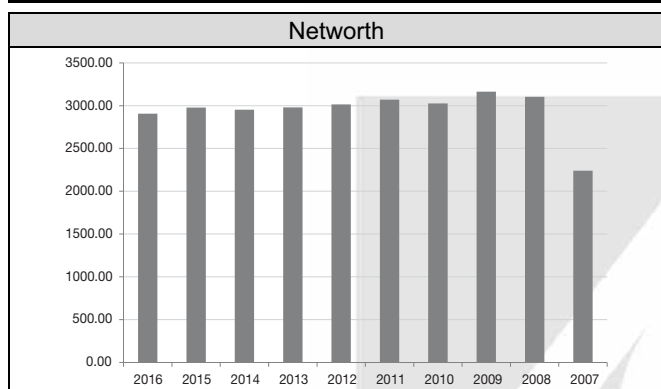


Performance Highlights

Consolidated Financial Performance of Khandwala Securities Limited

(in Rs. Lacs except per share data)

Year Ended March 31,	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Total Income	348.72	506.85	438.18	440.03	599.42	893.76	813.43	1231.07	1801.71	1119.66
Total Expenditure	420.25	489.21	466.62	475.87	657.73	850.66	988.60	965.37	1030.71	807.94
Profit Before Tax	-71.53	17.64	-28.44	-35.83	-58.31	43.11	-175.18	260.70	771.00	311.72
Tax Expenses	-1.42	-7.46	-0.62	-0.83	-3.32	-0.27	-0.01	39.68	97.43	39.58
Net Profit	-70.11	25.10	-27.82	-35.01	-54.99	43.37	-175.17	226.02	673.57	265.53
Paid up Equity Capital	1193.90	1193.90	1193.90	1193.90	1193.90	1193.90	1193.90	1193.90	1193.90	1138.30
Networth	2907.48	2977.58	2952.49	2980.31	3015.31	3070.30	3026.93	3163.82	3103.91	2239.33
Diluted EPS (FV Rs. 10) (in Rs.)	-0.59	0.21	-0.23	-0.29	-0.46	0.36	-1.66	1.67	5.58	2.11
BVPS (FV Rs. 10) (in Rs.)	22.41	23.26	23.05	23.29	23.58	24.04	23.68	24.82	23.07	16.60



NOTICE

Notice is hereby given that the Twenty Third Annual General Meeting of the Members of **Khandwala Securities Limited** will be held on September 19, 2016 at C. K. Nayudu Hall, in the Cricket Club of India (CCI), Brabourne Stadium, Churchgate, Mumbai – 400 020, falling on Monday, at 12.15 p.m. 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, 2016 and the Reports of the Directors and the Auditors thereon; and
 - b. the audited consolidated financial statements of the Company for the financial year ended March 31, 2016 and the Reports 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.
3. To appoint Auditors and fix their remuneration and in this regard 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 139 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), M/s. Udyen Jain & Associates, Chartered Accountants, (Registration No. 116336W), be and are hereby appointed as Auditors of the Company, to hold office from the conclusion of this Annual General Meeting till the conclusion of next Annual General Meeting, at such remuneration as shall be fixed by the Board of Directors of the Company.”

SPECIAL BUSINESS:

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

“RESOLVED THAT pursuant to provisions of Section 196, 197, 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and subject to such other approvals, permissions and sanctions, as may be required and on recommendation of Nomination and Remuneration Committee and the Board of Directors of the Company, the consent of the members of the Company be and is hereby accorded, to change the designation of Mr. Pranav Khandwala (DIN: 00519113), as Whole-Time Director of the Company, with effect from September 1, 2016, for a period of 3 years on the following terms and conditions including remuneration as mentioned herein below :

a) Remuneration:

Salary: Rs. 85,000/- per month.

b) Perquisites, allowances and other benefits

- Reimbursement of medical expenses, leave travel allowance, contribution to provident fund, super annuation fund or annuity fund, gratuity etc.- as per the rules of the Company;
- Other benefits, perquisites and allowances will be determined by the Nomination and Remuneration Committee and/or the Board of Directors of the Company, from time to time.

RESOLVED FURTHER THAT in the event of absence or inadequacy of profits in any financial year during the currency of tenure of service of Mr. Pranav Khandwala, as Whole-time Director of the Company, the payment of salary, perquisites and other allowances as approved by this resolution, shall be payable as minimum remuneration.

RESOLVED FURTHER THAT the Board of Directors of the Company and/or the Company Secretary be and is hereby authorised to do all such acts, deeds matters and things and to take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

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 other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the draft regulations contained in the Articles of Association submitted to this meeting, be and are hereby approved and adopted in substitution, and to the entire exclusion, of the regulations contained in the existing Articles of Association of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company and/or the Company Secretary be and is hereby authorised to do all such acts, deeds matters and things and to take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

By order of the Board of Directors

Paresh Khandwala
Managing Director

Date: - August 10, 2016

Place: Mumbai

Registered Office:

Ground Floor, Vikas Building,
Green Street, Fort,
Mumbai - 400023
CIN: L67120MH1993PLC070709

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 authorised representative 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 are requested to bring their attendance slip along with their copy of the Annual Report to the Meeting.
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 Meeting 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 12, 2016 to September 19, 2016 (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 under Section 189 of the Companies Act, 2013 will be available for inspection at the Meeting.
11. 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.
12. 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. 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.
13. 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.
14. The Securities and 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 Company/Karvy Computershare Private Limited.
15. 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.
16. Brief resume of Director(s) including those 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(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, are provided in the Corporate Governance Report, forming part of the Annual Report.

17. The Notice of the 23rd Annual General Meeting and Annual Report for Financial Year 2015-2016 will also be available on the website of the Company at www.kslindia.com. The physical copies will also be available at the Company's registered office for inspection during the normal business hours on working days.
18. To support Green Initiative, Members are requested to register their e-mail addresses with the Company and R&T Agent viz. Karvy Computershare Private Limited, in case of shares held in Physical and dematerialized form respectively

19. 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 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 23rd Annual General Meeting by electronic means and the business may be transacted through e-voting services provided by M/s. Karvy Computershare Pvt. Ltd. The Members may cast their votes using an electronic voting system from a place other than the venue of the Meeting (remote e-voting).

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

20. The Route Map showing directions to reach the venue of the 23rd Annual General Meeting is annexed in this Annual Report.

Explanatory Statement Pursuant to Section 102 of the Companies Act, 2013

Item No. 4

The Board of Directors at their meeting held on August 10, 2016, on the recommendation of the Nomination and Remuneration Committee has approved change in designation of Mr. Pranav Khandwala as Whole-Time Director of the Company for a period of 3 (three) years w.e.f September 1, 2016.

Mr. Pranav Khandwala is possessing vast experience in the field of financial market and is also associated with the Company from a long time. The brief profile of Mr. Pranav Khandwala is provided in the Corporate Governance Report forming part of the Annual Report. The Directors are of view that the appointment of Mr. Pranav Khandwala as Whole-Time Director will be beneficial to the operations of the Company and the remuneration payable to him is commensurate with his abilities and experience.

The remuneration proposed to be payable to Mr. Pranav Khandwala by way of salary, allowances, perquisites and other benefits are within the limit prescribed under Section 197 and other applicable provisions of the Companies Act, 2013.

Except Mr. Pranav Khandwala and his relatives, none of the Directors and Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, financially or otherwise, in this Resolution.

The Board recommends the Ordinary Resolution as set out at Item No. 4 of the Notice for the approval of Members.

Item No. 5

The existing Articles of Association ("AoA") are based on the Companies Act, 1956 and several regulations in the existing AoA contain references to the specific provisions of the Companies Act, 1956 and some regulations in the existing AoA are no longer in conformity with the Companies Act, 2013 (the "Act"). The Act is now in force (barring certain provisions). As substantive sections of the Act which deal with the general working of companies stand notified, several regulations of the existing AoA of the Company require alterations or deletions.

Given this position, it is considered expedient to wholly replace the existing AoA by a new set of Articles to make it consistent with the provisions of the Act including the rules framed thereunder. The new AoA to be substituted in place of the existing AoA are largely based on Table 'F' of the Act which sets out the model Articles of Association for a company limited by shares.

The proposed draft AoA is being uploaded on the Company's website at www.kslindia.com for perusal by the Members and is also available for inspection of the Members in physical or in electronic form at the Registered Office of the Company between 10.00 a.m. to 12.00 noon, on all working days (except Saturdays, Sundays and Public Holidays), up to the date of the Annual General Meeting (AGM) as well as during the AGM at the venue thereof.

None of the Directors, Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, financially or otherwise, in this Resolution.

The Board recommends the Special Resolution as set out at Item No. 5 of the Notice for the approval of Members.

By order of the Board of Directors

Paresh Khandwala
Managing Director

Date: - August 10, 2016

Place: Mumbai

Registered Office:

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

CIN: L67120MH1993PLC070709

DIRECTORS' REPORT

To

The Members,

The Directors of the Company take pleasure in presenting their 23rd Annual Report with the annual audited financial statements for the financial year ended on March 31, 2016.

FINANCIAL HIGHLIGHTS

The summary of the Company's financial performance, for the Financial Year 2015-16 as compared to the previous Financial Year 2014-15 is given below:

(Rs. in Lakhs)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Total Income	348.72	506.85
Interest & other Financial Charges	32.10	52.56
Depreciation	29.00	60.92
Profit / (Loss) before Tax and prior period item	(71.53)	17.64
Less: Prior Period item	-	-
Provision for Tax (including Deferred Tax & Fringe Benefit Tax)	1.42	(7.46)
Profit / (Loss) after Tax	(70.11)	25.10
Appropriations		
Dividend on Preference Shares	-	-
Provision for Corporate Tax on Dividend	-	-
Surplus / (Deficit) carried forward	629.17	699.27
Reserves and Surplus	1513.58	1583.68

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 2015-16.

INFORMATION ON THE RESULTS OF OPERATIONS / STATE OF AFFAIRS

The consolidated income of Khandwala Securities Limited stood at Rs. 348.72 lacs for the financial year ended March 31, 2016 as against Rs. 506.85 lacs for the previous year. The Company made a net loss of Rs. 70.11 lacs for the financial year ended March 31, 2016 as compared to a net profit of Rs. 25.10 lacs in the previous year.

The detailed information on operational and financial performance, etc, is also given in the Management Discussion and Analysis which is annexed to this Annual

Report and has been prepared in compliance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

SHARE CAPITAL

The paid up Equity Share Capital as on March 31, 2016 was Rs. 119,390,000/-. During the financial year under review, the Company has neither issued any shares with differential voting rights nor had granted any stock options or sweat equity.

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, 2016, 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 provision 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, forming part of the 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. Your directors recommend his re-appointment.

b) Changes in Director and Key Managerial Personnel

During the year under review, Mr. Pranav Khandwala was appointed as Chief Financial Officer of the Company w.e.f May 26, 2015, in accordance with the provision of section 203 of the Companies Act, 2013.

Further, Mr. Abhishek Joshi was appointed as Company Secretary and Compliance Officer of the Company w.e.f September 3, 2015 in accordance with the provision of section 203 of the Companies Act, 2013.

DECLARATION OF INDEPENDENCE

The Company has received declarations from all the Independence Directors confirming that they meet the criteria of independence as prescribed under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and section 149(6) of the Companies Act, 2013.

MEETINGS OF THE BOARD OF DIRECTORS

During the financial year, the Board met 5 (five) times i.e. on May 26, 2015, August 1, 2015, September 3, 2015, November 7, 2015 and February 12, 2016. 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 details of all the Committees of the Board along with their composition, terms of reference, etc. are provided in the Corporate Governance Report, which forms part of this Annual Report. The Board of Directors has accepted all the recommendations made by the Audit Committee during the financial year.

BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors has carried out an annual evaluation of its own performance, the directors individually as well as the working of its various committees. The Independent Directors at their separate meeting held during the financial year has reviewed the performance of non-independent directors, performance of the board as a whole and performance of the Chairman of the Company after taking into accounts the view of executive directors and non-executive directors. The performance evaluation of independent directors was done by the entire board. The

Board of Directors has 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 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:

- (i) in the preparation of the Annual Accounts for the year ended March 31, 2016, the applicable Accounting Standards have been followed along with proper explanations relating to material departures, if any;
- (ii) that 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 March 31, 2016;
- (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) that the Annual accounts are prepared on a going concern basis.
- (v) that proper internal financial controls were in place and that the internal financial controls were adequate and were operating effectively ; and
- (vi) that systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and were operating effectively.

INTERNAL FINANCIAL CONTROLS

The Company has in place adequate internal financial controls, with reference to financial statements. The internal financial control procedure adopted by the Company are adequate for safeguarding 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.

The details of internal financial controls and its adequacy are provided in the Management's Discussion and Analysis, which forms part of this annual report.