

# 26<sup>TH</sup> ANNUAL REPORT

2018-19



*Wealth Visionaries*

## OUR MANTRA

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

Broking : Institutional Equity : Investment Banking : Investment Advisory : Private  
Wealth : Portfolio Management Services

### **Service Differentiators:**

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

# **KHANDWALA SECURITIES LIMITED**

---

## **BOARD OF DIRECTORS**

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

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

## **COMPANY SECRETARY**

Mr. Abhishek Joshi

## **REGISTERED OFFICE**

G-7, Ground Floor, Vikas Building,  
Green Street, Fort,  
Mumbai - 400 023.  
Tel. No :- 91-22-40767373  
Fax. No:- 91-22-40767377

## **BRANCH OFFICE**

C-8/9, Dr. Herekar Park,  
Next to Kamala Nehru Park,  
Off. Bhandarkar Road, Pune - 411004.  
Tel:- 91-20-66220300/01/02

## **STATUTORY AUDITORS**

Aniket Kulkarni & Associates  
Chartered Accountants  
507, Lotus Business Park Premises Co. Op. Soc. Ltd  
Ram Baug Lane, Off. S. V. Road, Malad (West),  
Mumbai - 400064

## **BANKERS**

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

## **REGISTRAR AND SHARE TRANSFER AGENT**

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

## **LEGAL ADVISORS**

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

<b>CONTENTS</b>	<b>PAGE NO.</b>
Performance Highlights	2
Notice	3
Director's Report	7
Management Discussion and Analysis	29
Corporate Governance Report	37
Standalone Financial Statement	48
Consolidated Financial Statements	71

**Dear Shareholders,**

Welcome to our Annual Report for FY19.

Global economic growth in FY19 was powered by emerging markets as the large advanced economies witnessed subdued economic activity. Fiscal stimuli helped the US economy expand as tax cuts and spending hikes gave a fillip to demand, somewhat negating the effect of the increasingly protectionist rhetoric on trade. Slower export growth as well as political and industrial uncertainties impacted growth in the Euro region. Asia and the Pacific region continued to stay ahead of the curve as among the world's fastest growing regions.

India is full of opportunities. A 7% GDP growth rate for the sixth biggest economy in the world is no small feat. We have all the ingredients needed for sustained growth compounding – significant size, strong growth rate and importantly a prolonged period of time during which this growth will sustain, driven by our young demographics. Even though the economy faced headwinds in the form of declining growth of private consumption, tepid increase in fixed investment and muted exports, inflation was under check in FY19, mainly driven by lower food prices, and comfortable Current Account Deficit position. Recovery of investment and consumption, a favourable monetary policy, and fiscal policy impetus are expected to aid growth in the coming years, with IMF World Economic Outlook report projecting India's growth at 7.3% in CY19 and 7.5% in CY20.

FY19 followed a strong base year for equities witnessed in FY18. We saw competitive forces intensify and several regulatory changes like restrictions on saving of Aadhaar data and disallowing payment of upfront MF commission to distributors come in to effect. During the year, delivery-based trade saw narrow participation and there was a general risk aversion to mid and small capstocks. Primary market activities, qualified institutional transactions and private equity deals were also muted during the year.

This year, your Company has reported an income of INR 609.83 lacs up 58.95% from last year, and Profit After Tax of INR 19.11 lacs, up 125.45% compared to the previous year loss. The Return on Equity has been 0.16% for FY19 to (0.63)% for FY18. The Company's Networth is now INR 2734.25 lacs with a balance sheet size of INR 4747.31 lacs. Your Company's future endeavours 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.

We continue to invest in strategic initiatives to set the pace for long-term sustainable growth. Aligned with our focus on the life cycle approach, and on increasing customer acquisition and engagement these initiatives were aimed at providing customers with bigger and better product choice, better pricing proposition and personalised offering.

Going forward, your Company's focus is going to be to launch an innovative product for our retail customers to address their immediate liquidity requirement. To strengthen our focus on balancing pricing with value proposition, we will be introducing a new prepaid plan, to increase customer participation. For our Private Wealth clients we will also be launching our proprietary Portfolio Management Services (PMS) products for the HNI clients, which besides adding a new revenue stream to your Company, will also mark our entry into the financial products manufacturing space.

The current slowdown is nowhere a reflection of India's long-term potential, which continues to be very optimistic. The greatest challenge during such a slow phase is not just figuring out ways to ease the pain of the slowdown but also having the faith to trust in the long-term. In the long-term, we continue to be highly optimistic of the path and direction that the Indian economy is taking. The renewed majority of the reforms-oriented Government is a highly positive development. We now eagerly wait for the second wave of reforms. While global headwinds may continue, the domestic tailwinds are powerful enough to ensure that we make strong progress over the next few years. Like I relentlessly say, India is full of opportunity. The progressive Government and regulatory policies in recent years have only added to this opportunity size. It is the new India that is rising - an India which can hold its own in the global arena.

In closing, I would like to thank all of you – investors, customers, partners, associates, regulators, employees, and all other stakeholders for your continued support and trust. We remain committed to sustain this trust through determined and dedicated efforts to create greater value for you.

With best wishes,

Sincerely,

**Bhagyashree Khandwala**  
**Executive Director & CFO**

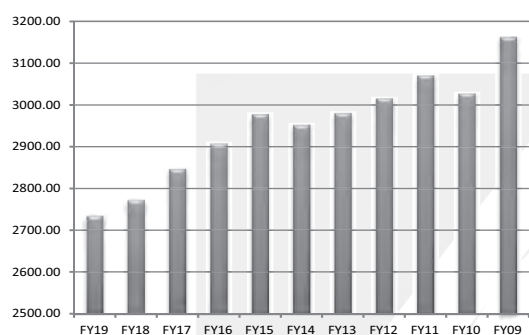
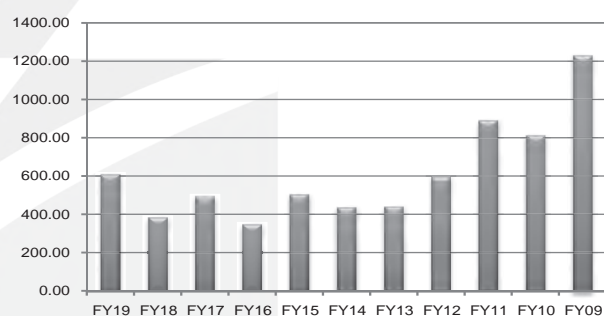
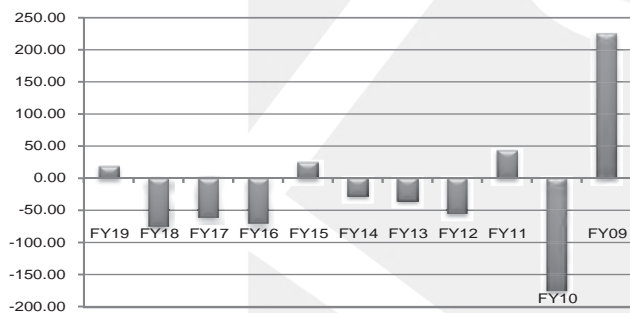
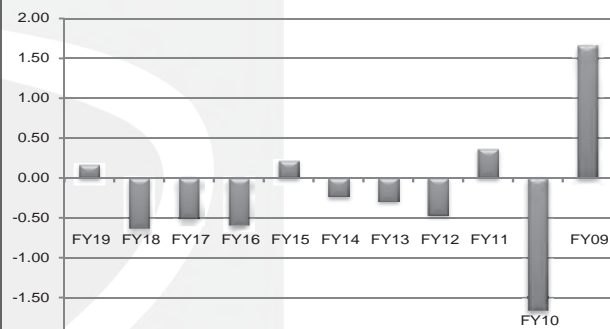
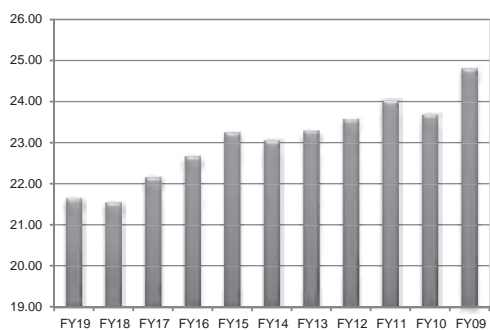
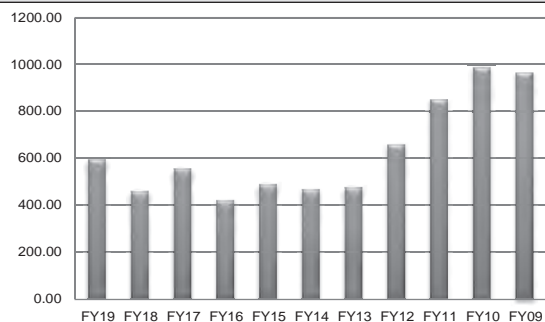
May 25, 2019

## Performance Highlights

### Standalone Financial Performance of Khandwala Securities Limited

*(₹ in Lakhs except per share data)*

	FY19	FY18	FY17	FY16	FY15	FY14	FY13	FY12	FY11	FY10	FY09
Total Income	609.83	383.68	495.36	348.72	506.85	438.18	440.03	599.42	893.76	813.43	1231.07
Total Expenditure	594.30	460.08	555.30	420.25	489.21	466.62	475.87	657.73	850.66	988.60	965.37
Profit Before Tax	15.53	-76.40	-59.94	-71.53	17.64	-28.44	-35.83	-58.31	43.11	-175.18	260.70
Tax Expenses	3.58	1.30	1.02	-1.42	-7.46	-0.62	-0.83	-3.32	-0.27	-0.01	39.68
Net Profit	19.11	-75.10	-60.95	-70.11	25.10	-27.82	-35.01	-54.99	43.37	-175.17	226.02
Paid up Equity Capital	1193.90	1193.90	1193.90	1193.90	1193.90	1193.90	1193.90	1193.90	1193.90	1193.90	1193.90
Networth	2734.25	2772.32	2846.52	2907.48	2977.58	2952.49	2980.31	3015.31	3070.30	3026.93	3163.82
Diluted EPS (FV ₹ 10) (in ₹)	0.16	-0.63	-0.51	-0.59	0.21	-0.23	-0.29	-0.46	0.36	-1.66	1.67
BVPS (FV ₹ 10) (in ₹)	21.65	21.55	22.17	22.68	23.26	23.05	23.29	23.58	24.04	23.68	24.82

**Networth**

**Total Income**

**Net Profit**

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

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

**Total Expenditure**


## NOTICE

Notice is hereby given that the Twenty Sixth Annual General Meeting of the Members of **Khandwala Securities Limited** will be held on Friday, August 30, 2019 at 12.30 p.m. at C. K. Nayudu Hall, in the Cricket Club of India (CCI), Brabourne Stadium, Churchgate, Mumbai - 400 020, to transact the following businesses:

### ORDINARY BUSINESS:

1. To receive, consider and adopt :-
  - a. the audited Financial Statements of the Company for the financial year ended March 31, 2019 together with the Report of the Directors and the Auditors thereon; and
  - b. the audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2019 together with the Report of the Auditors thereon.
2. To appoint a Director in place of Mrs. Bhagyashree Khandwala (DIN: 02335473), who retires by rotation and being eligible, offers herself for re-appointment.

### SPECIAL BUSINESS:

3. **Re-appointment of Mr. Rohitasava Chand as an Independent Director**

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 Sections 149, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time and pursuant to the recommendation of the Nomination and Remuneration Committee and the Board of Directors, Mr. Rohitasava Chand (DIN: 00011150), who holds office of Independent Director up to September 19, 2019 and who is eligible for re-appointment and who has submitted a declaration that he meets the criteria for independence as provided under Section 149(6) of the Companies Act, 2013, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, for the second term of five consecutive years with effect from September 20, 2019 up to September 19, 2024.”

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

**Paresh Khandwala  
Managing Director**

## NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (“THE MEETING”) IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF / HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING THE PROXY IN ORDER TO BE EFFECTIVE, SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY, DULY COMPLETED AND SIGNED, NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING. A PROXY FORM IS ANNEXED TO THIS REPORT.**
2. A person can act as proxy on behalf of Members not exceeding Fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. However, a member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
3. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of the above Special Businesses is annexed hereto.
4. Corporate Members intending to send their authorized representatives to attend the meeting are requested to send to the Company a certified true copy of their board resolution authorising their representative(s) to attend and vote on their behalf at the Meeting.
5. Members are informed that in the case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
6. Members, Proxies and Authorised Representatives are requested to bring the duly filled attendance slip enclosed herewith for attending the meeting, along with their copy of the Annual Report.
7. As per Regulation 40 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, securities of listed companies can be transferred only in dematerialized form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's Registrars and Transfer Agents, Karvy Fintech Private Limited (“Karvy”) for assistance in this regard.
8. 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

**Date :** May 25, 2019

**Place :** Mumbai

- 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.
9. Members desirous of obtaining any information concerning the accounts and operations of the Company are requested to address their questions in writing to the Secretary of the Company at least 10 days before the date of the AGM so that information required may be complied and made available at the Meeting.
  10. The Register of Members and Share Transfer Books of the Company will remain closed from **August 23, 2019 to August 30, 2019** (both days inclusive).
  11. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under section 170 of the Companies Act, 2013 and the Register of contracts or arrangements in which directors are interested maintained, under section 189 of the Companies Act, 2013 will be available for inspection by the members at the Annual General Meeting.
  12. Relevant documents referred to in the accompanying Notice are open for inspection by the members at the Registered Office of the Company on all working days, except Saturdays, between 11.00 a.m. and 1.00 p.m. up to the date of the Annual General Meeting.
  13. 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.
  14. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/ mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DPs in case the shares are held in electronic form and to Karvy in case the shares are held in physical form.
  15. Pursuant to the provisions of section 72 of the Companies Act, 2013, members holding shares in physical form are advised to file nomination in the prescribed Form SH-13 with Karvy. In respect of shares held in electronic/demat form, the members may please contact their respective depository participant.
  16. Members holding the equity shares under multiple folios in the identical order of names are requested to write to the Karvy, to consolidate their holdings in one folio.
  17. Brief details of the directors, who are seeking appointment/re-appointment, are annexed hereto as per requirements of Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards on General Meetings issued by the Institute of Company Secretaries of India.
  18. Notice of the 26<sup>th</sup> Annual General Meeting along with Annual Report 2018-19 are being sent in electronic mode to those Members whose e-mail addresses are registered with the Company or the Depository Participants, unless any Member has requested for a physical copy. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted or requested modes.
  19. Members are requested to bring their copies of the Annual Report at the Meeting.
  20. In terms of section 101 and 136 of the Companies Act, 2013 read with the rules made thereunder, the listed Companies may send the notice of AGM and Annual Report through electronic mode to those members who have registered their email addresses either with the Company or with the Depository. Members who have not registered their e-mail addresses so far are requested to register their e-mail address so that they can receive Annual Report and other communication from the Company electronically. Members holding shares in demat form are requested to register their e-mail address with their Depository Participants only. Members of the Company, who have registered their e-mail address, are entitled to receive such communication in physical form upon request.

The Annual Report, Notice of AGM, Proxy Form and Attendance Slip are available at the Company's website on [www.kslindia.com](http://www.kslindia.com).
  21. The Route Map showing directions to reach the venue of the 26<sup>th</sup> Annual General Meeting is annexed in this Annual Report.
  22. In case a person has become a member of the Company after dispatch of AGM Notice, but on or before the **cut-off date** i.e. **Thursday, 22<sup>nd</sup> August 2019**, such person may obtain the User ID and Password, for remote e-voting from Karvy by email request on [mohd@karvy.com](mailto:mohd@karvy.com).
  23. **Voting through electronic means**

In term of the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, the Company is pleased to provide members facility to exercise their rights to vote at the 26<sup>th</sup> Annual General Meeting (AGM) by electronic means and the business

may be transacted through e-voting services. The facility of casting votes by the members using an electronic voting system from a place other than the venue of the Annual General Meeting (remote e-voting) will be provided by Karvy.

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

### **EXPLANATORY STATEMENT PURSUANT TO THE PROVISIONS OF SECTION 102 OF THE COMPANIES ACT, 2013**

#### **Item No. 3**

Mr. Rohitasava Chand (DIN: 00011150) was appointed as an Independent Director on the Board of the Company pursuant to the provisions of Section 149 of the Companies Act, 2013 ("the Act") read with the Companies (Appointment and Qualification of Directors) Rules, 2014, by the Members at the Twenty First Annual General Meeting of the Company held on September 20, 2014. He holds office as an Independent Director of the Company up to September 19, 2019 ("First Term") in line with the explanation to section 149(10) and 149(11) of the Act.

As per the provisions of Section 149(10) of the Act, an Independent Director shall hold office for a term of up to five consecutive years on the Board of a Company and shall be eligible for re-appointment for another term of upto five consecutive years on the Board of a Company, on passing of a special resolution by the Members.

The Nomination and Remuneration Committee of the Board of Directors, on the basis of the report of performance evaluation, has recommended the re-appointment of Mr. Rohitasava Chand as an Independent Director for the second term of 5 (five) consecutive years i.e. from September 20, 2019 upto September 19, 2024 on the Board of the Company.

The Company has received intimation in Form DIR-8 from Mr. Rohitasava Chand that, he is not disqualified from being re-appointed as an Independent Director in terms of Section 164 of the Act, declaration that he meets with the criteria of independence as prescribed under Section 149(6) of the Act & Regulation 16(1)(b) of SEBI Listing Regulations and his consent to continue as an Independent Director.

Mr. Rohitasava Chand (aged 73 years) has been a serial entrepreneur who has promoted highly successful ventures in IT, ITES, Education & Financial Services domains. Mr. Rohitasava Chand has over 45 years of experience in the Indian Services Sector and is well versed with the regulatory framework in India.

After occupying senior positions in corporate India, Mr. Chand ventured out on his own in 1985 and through a series of acquisitions and mergers co-founded IIS Infotech, one of India's foremost software/education companies, of which he was the Executive Chairman. IIS was bought over by the FI Group Plc. (now Steria) which is a European multinational

and Mr. Chand exited the company. Thereafter, Mr. Chand co-founded Infinity Venture Fund with a US 40 million Dollar corpus and founded Axis-IT&T which is focused on Engineering Design and contributed to its growth and diversification.

Mr. Chand has promoted / chaired several Educational initiatives, which are :

- ISCT (International School of Computer Technology (3 largest IT education company in India) - 160 Branches.
- Joint computer science engineering conversion program called STECH with IIT-Delhi for Engineering / Science graduates
- A joint MBA degree program with ENPC-Paris
- Vienova - K-12 education
- Aravali Institute of Management - Management Education

Mr. Chand is currently the CEO of Yukti Securities Private Limited, a non-banking financial corporation registered with the Reserve Bank of India and which is engaged in investing in start-ups. Mr. Chand sits on several Boards & mentors of many companies.

Mr. Chand has a Bachelor's Degree from the Indian Institute of Technology, New Delhi and an MBA from the Katz Graduate School of Business, University of Pittsburgh, USA. He is a recipient of the IIT Delhi Alumni award for "Outstanding Contribution to National Development" and has also been awarded "The Amity Global Corporate Excellence Award" and the "Hind Gaurav Award".

In the opinion of the Board, Mr. Rohitasava Chand fulfills the conditions for his re-appointment as an Independent Director as specified in the Act, the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended thereto and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and is independent of the management.

Copy of the draft letter for re-appointment of Mr. Rohitasava Chand as an Independent Director setting out terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours (9:00 am to 5:00 pm) on any working day, except Saturday, upto and including the date of AGM of the Company.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Rohitasava Chand as an Independent Director.

Mr. Rohitasava Chand does not hold any equity shares of the Company. He is not related to any other Directors/KMP's of the Company. He is the Chairman of the Nomination & Remuneration Committee and Member of Audit Committee of the Company.

None of the Directors or Key Managerial Personnel of the Company and/or their relatives except Mr. Rohitasava Chand, to whom the resolution relates, is in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 3 of the Notice of the AGM.

Accordingly, the Board of Directors recommends the Special Resolution set out at Item No. 3 of the Notice of the AGM for approval of the Members.

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

**Paresh Khandwala  
Managing Director**

**Date :** May 25, 2019

**Place :** Mumbai

**Registered Office:**

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

#### ANNEXURE TO THE NOTICE

**Information of Directors seeking appointment/re-appointment in the forthcoming Annual General Meeting pursuant to Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards on General Meeting (SS-2):**

<b>Name of the Director</b>	Mrs. Bhagyashree Khandwala	Mr. Rohitasava Chand
<b>DIN</b>	02335473	00011150
<b>Date of Birth</b>	26/12/1980	21/10/1946
<b>Qualification</b>	B.Com, MBA (Finance)	B.Tech – IIT, MBA
<b>Date of First Appointment</b>	30/05/2014	23/07/2005
<b>Expertise in Functional area</b>	She has diverse experience in the field of financial market and accounting.	He has been a serial entrepreneur who has promoted highly successful ventures in IT, ITES, Education & Financial Services domains. He has over 45 years of experience in the Indian Services Sector and is well versed with the regulatory framework in India.
<b>Remuneration last drawn (including sitting fee), if any</b>	As mentioned in Corporate Governance Report	As mentioned in Corporate Governance Report
<b>Directorship held in other Companies in India</b>	<ul style="list-style-type: none"><li>• Trumonee Financial Limited</li><li>• Bentley Investments Private Limited</li></ul>	<ul style="list-style-type: none"><li>• BMC International Private Limited</li><li>• The British Motor Car Company (1934) Private Limited.</li><li>• Mimo Technologies Private Limited</li><li>• Picture Time DigiPLEX Private Limited</li><li>• Prajya Vienova Education Private Limited</li><li>• Trak Services Private Limited</li></ul>
<b>Memberships / Chairmanship of Committees in other Companies</b>	Nil	Member - Nomination & Remuneration Committee - The British Motor Car Company (1934) Private Limited.
<b>No. of Equity shares held in the Company</b>	1,33,980	Nil
<b>Relationship with Directors / Key Managerial Personnel, if any</b>	Mrs. Bhagyashree Khandwala is the spouse of Mr. Pranav Khandwala, Director and Mr. Pranav Khandwala is the son of Mr. Paresh Khandwala, Managing Director.	None

## DIRECTORS' REPORT

To

The Members,

Your Directors hereby present the Twenty Sixth Annual Report on the business, operations and state of affairs of the Company together with the audited financial statements for the year ended 31<sup>st</sup> March 2019.

### FINANCIAL HIGHLIGHTS

The summary of the Company's financial performance, for the financial year 2018-19 as compared to the previous financial year 2017-18 is given below:

#### (I) Standalone Financial Performance :

(Rs. in Lakhs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Total Income	609.83	383.68
Financial Cost	23.23	27.73
Depreciation and Amortization Expenses	27.78	29.01
Profit / (Loss) before Exceptional Items & Tax	15.53	(76.40)
Exceptional Items	-	-
Profit / (Loss) before Tax	15.53	(76.40)
Provision for Tax	(3.58)	(1.30)
Profit / (Loss) after Tax	19.11	(75.10)
Other Comprehensive Income	(7.18)	0.90
Total Comprehensive Income for the Year	11.93	(74.20)

#### (II) Consolidated Financial Performance :

(Rs. in Lakhs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Total Income	609.83	383.68
Financial Cost	23.23	27.73
Depreciation and Amortization Expenses	27.78	29.01
Profit / (Loss) before Exceptional Items & Tax	15.40	(77.49)
Exceptional Items	-	-
Profit / (Loss) before Tax	15.40	(77.49)
Provision for Tax	(3.58)	(1.30)
Profit / (Loss) after Tax	18.98	(76.20)
Other Comprehensive Income	(7.18)	0.90
Total Comprehensive Income for the Year	11.80	(75.29)

## FINANCIAL PERFORMANCE

### Standalone

During the year under review, the standalone total income for the financial year was Rs. 609.83 lakhs as compared to Rs. 383.68 lakhs for the previous year. The total expenses incurred during the financial year was Rs. 594.30 lakhs as compared to Rs. 460.08 lakhs in the previous year. The Net Profit after tax was Rs. 19.11 lakhs in the financial year as compared to Net loss after tax of Rs. 75.10 lakhs in the previous year.

### Consolidated

During the year under review, the consolidated total income for the financial year was Rs. 609.83 lakhs as compared to Rs. 383.68 lakhs for the previous year. The total expenses incurred during the financial year was Rs. 594.43 lakhs as compared to Rs. 461.17 lakhs in the previous year. The Net Profit after tax was Rs. 18.98 lakhs in the financial year as compared to Net loss of Rs. 76.20 lakhs in the previous year.

### DIVIDEND

During the year under review, no dividend has been proposed to be declared in the financial year 2018-19.

### INFORMATION ON THE STATE OF AFFAIRS OF THE COMPANY

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

### LISTING WITH STOCK EXCHANGES

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

### SUBSIDIARIES AND JOINT VENTURES

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

### ASSOCIATE COMPANIES

During the year ended March 31, 2019, 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 Indian Accounting Standards. The audited consolidated financial statements together with auditor's report forms part of this Annual Report. A statement containing the salient features of the financial statement of associate Company as required under Sec.129(3) of the Companies Act, 2013 in the prescribed form i.e. "Form AOC-1" is annexed as "Annexure - 1" to this report.

Further, pursuant to the provisions of Section 136 of the Companies Act, 2013, the financial statement of the Company, consolidated financial statements along with relevant documents and separate audited accounts in respect of associate company are also 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. All these documents will also be available for inspection at the Registered Office of the Company between 11.00 a.m. to 1.00 p.m. till the date of ensuing Annual General Meeting of the Company.

#### **EXTRACT OF ANNUAL RETURN**

Pursuant to the provisions of Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014, the extract of annual return in the prescribed form i.e. Form MGT-9 is provided as "Annexure - 2" to this report.

#### **MANAGEMENT DISCUSSION AND ANALYSIS**

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

#### **DIRECTORS AND KEY MANAGERIAL PERSONNEL**

##### **a) Retirement by Rotation of the Directors**

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

##### **b) Changes in Directors and Key Managerial Personnel**

During the year under review, there was no change in the Board of Directors and Key Managerial Personnel of the Company.

The Members have, at the Twenty First Annual General Meeting held on September 20, 2014 appointed Mr. Rohitasava Chand as an Independent Director of the Company to hold the office for a term of 5 (five) consecutive years with effect from September 20, 2014. Accordingly, the current term of Mr. Rohitasava Chand expires on September 19, 2019. In terms of Section 149 of the Companies Act, 2013, Mr. Rohitasava Chand is eligible for being re-appointed as an Independent Director on the Board of the Company for another term of up to five consecutive years effective from September 20, 2019. The Board of Directors, on the recommendation of the Nomination and Remuneration Committee, at its meetings held on May 25, 2019, re-appointed Mr. Rohitasava Chand as an Independent Director of the Company for the second term of five consecutive years commencing from September 20, 2019, subject to the approval of the members at the ensuing Annual General Meeting of the Company.

#### **DECLARATION OF INDEPENDENCE**

The Board has received declarations from all the Independent Directors confirming that they meet the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and are not disqualified from continuing as Independent Directors of the Company.

#### **MEETINGS OF THE BOARD OF DIRECTORS**

During the financial year, the Board met 5 (five) times i.e. April 20, 2018, May 26, 2018, August 11, 2018, November 14, 2018 and January 30, 2019. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013. The attendance details of directors at the Board Meetings are provided in the Corporate Governance Report.

#### **COMMITTEES OF THE BOARD**

The Board of Directors of the Company has constituted various Committees in compliance with the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 viz. Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee. The details of all the Committees along with their composition, terms of reference, no. of meeting held during the year and attendance at these meetings, are provided in the Corporate Governance Report, forming part of this Annual Report.

#### **BOARD EVALUATION**

In compliance with the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors has carried out an annual evaluation of its own performance, board committees and individual directors. The performance of the board and its committees was evaluated after seeking inputs from all the directors on the basis of criteria such as board effectiveness, quality of discussion, contribution at the meeting, corporate governance practices, strategic thinking, time commitment, review of the terms of reference of the committees, etc. The above criteria are based on the guidance note on Board Evaluation issued by the Securities and Exchange Board of India on January 5, 2017.

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

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