

# KSHITIJ INVESTMENTS LIMITED

Regd. Office: 509, Loha Bhavan, 93, P. D'Mello Road,

Carnac Bunder, Mumbai- 400 009

Email: pankaj.raval@rediffmail.com

Tele Fax No: (022) 2348-0344

CIN: L67120MH1979PLC021315

## DIRECTORS' REPORT

To  
The Shareholders,

Your Directors have pleasure in presenting the **37<sup>th</sup> Annual Report** of the Company along with the Audited Financial Statements for the year ended on 31<sup>st</sup> March, 2016.

### **FINANCIAL HIGHLIGHTS**

The Company's financial performance for the year under review along with previous year's figures are given hereunder:

Particulars	As on 31.03.2016 (₹)	As on 31.03.2015 (₹)
<b>Net sales/Income from Business operations</b>	<b>7,36,807.00</b>	<b>2,72,880.00</b>
<b>Profit before Interest, Depreciation and Taxation</b>	<b>(1,899.06)</b>	<b>(449.00)</b>
Less: Interest	-	-
Less: Depreciation	-	-
<b>Net Profit /(Loss) before Tax</b>	<b>(1,899.06)</b>	<b>(449.00)</b>
Provision for Income Tax	-	-
- Current Income Tax	-	-
- Income Tax for earlier years	-	-
- Deferred Tax Charge / (Credit)	-	-
<b>Net Profit /(Loss) after Tax</b>	<b>(1,899.06)</b>	<b>(449.00)</b>
Profit/(Loss) brought forward from previous period	6,66,164.68	6,66,613.68
<b>Balance Profit/(Loss) Transferred to Reserves &amp; Surplus</b>	<b>6,64,265.62</b>	<b>6,66,164.68</b>

### **DIVIDEND**

The Board of Directors does not recommend any dividend for the year under review.

### **RESERVES**

Since the Company has not incurred any accumulated loss, and Rs.6,64,265.62 has been transferred to the General Reserve account.

### **STATE OF COMPANY'S AFFAIRS**

The Company is a core investment company. Presently the company has no operations. Financial position of the Company is given in the above paragraphs.

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## ***HOLDING/SUBSIDIARY/ASSOCIATE***

The Company does not have any Holding, Subsidiary or Associate Company & it has not entered into any joint ventures.

## ***ACCEPTANCE OF FIXED DEPOSITS***

The Company has not accepted any Fixed Deposits from general public within the purview of Section 73 of the Companies Act, 2013, during the year under review.

## ***SHARE CAPITAL***

The paid up share capital as on 31<sup>st</sup> March, 2016 was 62.94 lacs. The Company has not issued shares with differential voting rights nor granted stock options nor sweat equity.

## ***DIRECTORS***

Mr. Pankaj Hiralal Raval (DIN: 00288660), Director of the Company, retires by rotation and being eligible offers himself for re-appointment.

Mr. Manab Kumar Das (DIN: 07296319), appointed on 31<sup>st</sup> March, 2015, is the Independent Director on the Board as required under section 149 of the Companies Act, 2013. As per the requirement of Section 149 of Companies Act, 2013 and Sebi (LODR) Regulations, 2015 one-third of the Board of Directors should be independent. Therefore Mr. Tushar Kanti Mitra (DIN: 07121760) has also been appointed as the Independent Director as on 9<sup>th</sup> February, 2016. As per schedule IV to the Companies Act, 2013, appointment of Independent Director shall be approved at the meeting of shareholders. Therefore, your Board seeks members' approval for the same at the ensuing Annual General Meeting. The brief resume and other details relating to the Director, who are to be appointed are furnished in the Explanatory Statement to the Notice of the ensuing Annual General Meeting.

Your Board recommends their appointment / re-appointment at the ensuing Annual General Meeting.

## ***KEY MANAGERIAL PERSONNEL***

Mr. Kshitij Vinaykumar Rajkumar has been appointed as the Chief Financial Officer of the Company from 31.03.2015.

Ms. Archana Singh has been appointed as the Compliance officer and Company Secretary of the Company from 14<sup>th</sup> December, 2015.

Ms. Punam Rao is women Director on the Board of the Company as on 06.08.2015. For smooth functioning of the Compliance requirements of the Company and pursuant to Section 203 of the Companies Act, 2013 Ms. Punam Rao has been re- designated as the Whole Time Director of the Company w.e.f 09.02.2016.

Your Board recommends their appointment / re-appointment at the ensuing Annual General Meeting.

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## ***NOMINATION AND REMUNERATION POLICY***

The Nomination and Remuneration Committee works with the Board to determine the appropriate characteristics, skills and experience for the Board as a whole and its individual members with the objective of having a Board with diverse backgrounds and experience in business, government, education and public service. The Board in its meeting held on 14.12.2015 has approved the Nomination and Remuneration Policy for Directors, Key Managerial Personnel and Senior Management Personnel of the Company. The Nomination and Remuneration Policy is annexed to the Directors' Report as **Annexure 'B'**.

## ***DECLARATION BY INDEPENDENT DIRECTORS***

The Company has received necessary declaration from all Independent Directors under section 149(7) of the Companies Act, 2013 and Sebi (LODR) Regulations, 2015 confirming that they meet the criteria of independence as prescribed in section 149(6) of the Companies Act, 2013.

## ***PERFORMANCE EVALUATION***

Pursuant to the provisions of the Companies Act, 2013, the Board has carried out the annual performance evaluation of its own performance and of the Directors individually as well. A discussion was done considering the inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance. The performance evaluation of the Board and committees are usually carried out on the basis of questionnaires devised in house.

A separate exercise was carried out to evaluate the performance of individual Directors who were evaluated on the basis of questionnaire, devised for this purpose. The Directors expressed their satisfaction with the evaluation process.

## ***BOARD MEETINGS***

The Board met seven (5) times during the financial year, viz. 29.05.2015, 10.08.2015, 09.11.2015, 14.12.2015, 09.02.2016. The details of the Directors' attendance at the Board Meetings are given below:

<b>Sl. No.</b>	<b>Director</b>	<b>No. of Meetings attended</b>
1	Mr.Pankaj Hiralal Raval	5
2	Mr. Naba Kumar Das	5
3	Ms.Punam Rao (Whole Time Director)	4
4	Mr.Manab Kumar Das (Independent Director)	5
5	Mr Tushar Kanti Mitra (Independent Director)	5

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## ***DIRECTORS' RESPONSIBILITY STATEMENT***

In accordance with the provisions of Section 134(5) of the Companies Act, 2013 with regard to the Directors' Responsibility Statement, your Board confirms that:-

- a) in the preparation of the annual accounts for the financial year ended on 31<sup>st</sup>March, 2016, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31<sup>st</sup>March, 2016 and of the profit /loss of the Company for that period;
- c) the Directors have taken 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;
- d) the Directors have prepared the annual accounts on a going concern basis;
- e) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.
- f) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively;

## ***CORPORATE GOVERNANCE***

In terms of Regulation 34 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations,2015 (hereinafter "Listing Regulations"), a Report on Corporate Governance alongwith Compliance Certificate issued by Statutory Auditors of the Company is attached as Annexure and form integral part of this Report (hereinafter "Corporate Governance Report")

## ***CFO CERTIFICATION***

The Chief Financial Officer has duly given a certificate to the board as contemplated in Regulation 17 (viii) of the listing agreement.

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

Management Discussion and Analysis Report for the year under review, as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges in India, is included in a separate section annexed to and forming part of the Director's Report.

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## ***AUDIT COMMITTEE & NOMINATION AND REMUNERATION COMMITTEE***

Pursuant to Sections 177 and 178 of the Companies Act, 2013 read with Rules made thereunder, the Company is required to constitute an Audit Committee and Nomination and Remuneration Committee of the Board w.e.f. 14.12.2015 as the Company is listed with Bombay Stock Exchanges.

Therefore, The Board has constituted Audit Committee in its meeting held on 14.12.2015 comprising of Mr. Manab Kumar Das, Independent Director; Mr. Naba Kumar Das, Non-Executive Director and Mr. Tushar Kanti Mittra, Independent Director (w.e.f 9<sup>th</sup> February, 2016). The Audit committee held three meetings during the year 2015-16.

The terms of reference of Audit Committee includes:-

- a) the recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- b) review and monitor the auditor's independence and performance, and effectiveness of audit process;
- c) examination of the financial statement and the auditors' report thereon;
- d) approval or any subsequent modification of transactions of the company with related parties;
- e) scrutiny of inter-corporate loans and investments;
- f) valuation of undertakings or assets of the company, wherever it is necessary;
- g) evaluation of internal financial controls and risk management systems;
- h) monitoring the end use of funds raised through public offers and related matters;
- i) any other as may be decided by the Board.

The Board has also constituted Nomination and Remuneration Committee in its meeting held on 14.12.2015 comprising of Mr. Manab Kumar Das, Independent Director; Mr. Naba Kumar Das, Non-Executive Director and Mr. Tushar Kanti Mittra, Independent Director (w.e.f 9<sup>th</sup> February, 2016). The role of Nomination and Remuneration Committee includes formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the Directors, Key Managerial Personnel and other employees etc. The Nomination & Remuneration committee met three times during the year.

## ***STAKEHOLDERS' RELATIONSHIP COMMITTEE (FORMERLY SHARE TRANSFER CUM INVESTORS' GRIEVANCE COMMITTEE) NOMENCLATURE AND TERMS OF REFERENCE OF THE COMMITTEE***

The Board of Directors of the Company has at its meeting held on 14<sup>th</sup> December, 2015, have changed the nomenclature of the 'Share Transfer Cum Investors' Grievance Committee' to 'Stakeholders' Relationship Committee' ('the committee'). The committee deals with various matters relating to satisfactory redressal of shareholders and investors' grievances and recommends measures for overall improvement in the quality of investor services. The Stakeholder's Relationship Committee met three times during the year. An insight of the matters dealt with by the committee is given hereunder:

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- To review and note all matters relating to the registration of transfer and transmission of shares and debentures, transposition of shares, sub-division of shares, issue of duplicate share certificates or allotment letters and certificates for debentures in lieu of those lost/misplaced;
- To look into the redressal of shareholders' and investors' complaints relating to the transfer of shares, non-receipt of Annual Report/notices, dividends, etc;
- To oversee the performance of the Registrar & Share Transfer Agents;
- To review dematerialization and rematerialization of the shares of the Company;
- To comply with all such directions of Ministry of Corporate Affairs & other regulatory bodies w.r.t. shareholders'/investors' rights and market regulations, from time to time.

## ***DETAILS OF ESTABLISHMENT OF VIGIL MECHANISM***

As per the provisions of Section 177(9) of the Companies Act, 2013 read with Rule 6 and 7 of the Companies (Meeting of the Board and its Powers) Rules, 2013 the Company has formed vigil mechanism named 'Whistle Blower Policy', wherein the employees / directors can report the instances of unethical behavior, actual or suspected fraud or any violation of the Code of Conduct and / or laws applicable to the Company and seek redressal. This mechanism provides appropriate protection to the genuine Whistle Blower, who avail of the mechanism.

## ***ADEQUACY OF INTERNAL FINANCIAL CONTROL***

The Company has in place adequate internal financial controls with reference to the Financial Statements. During the year, such controls were tested and no reportable material weakness was observed in the design or implementation.

## ***RISK MANAGEMENT***

During the year, Management of the Company evaluated the existing Risk Management Policy of the Company to make it more focused in identifying and prioritizing the risks, role of various executives in monitoring & mitigation of risk and reporting process. Its aim is to enhance shareholders value and provide an optimum risk-reward tradeoff. The Risk Management Policy has been reviewed and found adequate to the requirements of the Company, and approved by the Board.

The Management evaluated various risks and that there is no element of risk identified that may threaten the existence of the Company.

## ***CORPORATE SOCIAL RESPONSIBILITY***

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The Company has not developed and implemented any Corporate Social Responsibility initiatives as the said provisions are not applicable.

## ***LOAN, GUARANTEES AND INVESTMENTS***

Particulars of Investment made/loan given under section 186 of the Companies Act, 2013 are provided in the financial statement. The Company has made loan to other body corporate within the specified limit as mentioned under Section 186, the detailed disclosure of which has been given in the financial statement under the head "**Short Term Loans & Advances.**" The Company has made investment in Mutual funds. The detailed disclosure of which has been given in the financial statement under the head "**Non Current Investments.**" During the year under review, the Company has not provided any guarantees to other bodies corporate.

## ***CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES***

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There were no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated Persons which may have a potential conflict with the interest of the Company at large. Accordingly, no transaction are being reported in Form AOC- 2 in terms of Section 134 of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014.

All Related Party Transactions are placed before the Audit Committee as also the Board for approval. Prior omnibus approval of the Audit Committee is obtained for the transactions which are of a foreseen in repetitive nature. The Company has developed a Related Party Transactions Policy for purpose of identification and monitoring of such transactions.

## ***AUDITORS & AUDITORS' REPORT***

At the 36<sup>th</sup> Annual General Meeting held on 30<sup>th</sup> September 2015, M/s M.P. Shah & Co., Chartered Accountants, were appointed as the Statutory Auditors of the Company to hold office till the conclusion of the Annual General Meeting to be held in the year 2019, subject to ratification of their appointment at subsequent Annual General Meeting. In this regard, the Company has received a certificate from the Auditors to the effect if they are re-appointed, it would be in accordance with the provisions of Section 141 of the Companies Act, 2013.

The Board recommends ratification of the appointment of M/s M.P. Shah & Co., Chartered Accountants by the members at the ensuing Annual General Meeting.

The Auditors' Report to the members on the Accounts of the Company for the financial year ended on 31<sup>st</sup> March, 2016 does not contain any qualification.

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## ***SECRETARIAL AUDIT***

Pursuant to provisions of Section 204 of the Companies Act, 2013, the Board has appointed M/s D. Banerjee Co., Company Secretaries, Kolkata, to undertake Secretarial Audit of the Company for the Financial Year 2015- 16. The Secretarial Audit Report is annexed herewith as Annexure "C". The Secretarial Audit Report does not contain any qualification, reservation, adverse remark or disclaimer.

## ***INTERNAL AUDIT***

As per the provisions of Section 138 of the Companies Act, 2013, the Board with the recommendation of the audit committee has appointed M/s N. Mondal & Co., Chartered Accountants, Kolkata, to undertake Internal Audit of the Company for the Financial Year 2015- 16. The Internal Audit Report does not contain any qualification, reservation, adverse remark or disclaimer.

## ***PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES***

None of the employees were in receipt of remuneration in excess of the limits laid down under section 197(12) of the Companies Act, 2013 read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration) Rules, 2014. Hence, no particulars are required to be given for the same.

## ***CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO***

The Company is not engaged in manufacturing, has no foreign collaboration and has not exported or imported any goods or services.

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

The details forming part of the extract of the Annual Return in Form MGT – 9 is annexed herewith as **Annexure 'A'**.

## ***STATUTORY DISCLOSURES***

A copy of audited financial statements of the said Companies will be made available to the members of the Company, seeking such information at any point of time. A cash flow statement for the year 2015-2016 is attached to the Balance Sheet.

## ***GENERAL DISCLOSURES***

The Directors state that no disclosure or reporting is required in respect of the following items during the year under review as:



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1. During the year under review, no significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.
2. No material changes and commitments have occurred between the end of financial year of the Company to which the financial statements relate and the date of the Report, affecting the financial position of the Company under section 134(3)(1) of the Companies Act, 2013.
3. No Deposits covered under Chapter V of the Companies Act, 2013 were accepted.
4. No equity shares with differential rights as to dividend, voting or otherwise; or shares (including sweat equity shares) were issued to employees of the Company under any scheme.
5. During the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

## ***FRAUD REPORTING (REQUIRED BY THE COMPANIES AMENDMENT ACT, 2015)***

The Company has adopted best practices for fraud prevention and it follows confidential, anonymous reporting about fraud or abuse to the appropriate responsible officials of the Company. No fraud on or by the company has been reported by the Statutory Auditors.

## ***ACKNOWLEDGEMENT***

Your Directors express their sincere appreciation to the Central and State Governments, Banks, Customers, Vendors and the Company's valued investors for their continued co-operation and support.

Your Directors also wish to acknowledge the support and valuable contributions made by the employees, at all levels.

For and on behalf of the Board of Directors

Place: Kolkata

Date: 24<sup>th</sup> May, 2016

Sd/-

**Pankaj Hiralal Raval**

**Director**

**(DIN: 00288660)**

Sd/-

**Naba Kumar Das**

**Director**

**(DIN: 02604632)**