# SUBWAY FINANCE & INVESTMENT COMPANY LIMITED

**B-101, EASTERN COURT, JN. OF TEJPAL & PARLESHWAR ROAD, VILE PARLE (E), MUMBAI – 400057**

**TEL: 022-26165960 (8 Lines) FAX: 022-26165969 EMAIL: subwayfinance.co@gmail.com**

**CIN: L65990MH1983PLC029350 WEBSITE: www.subwayfinance.in**


**SFIL/ ANS / BSE / 029 / 16-17** **Date: 5th October, 2016**

**To**
**BSE Limited**
**Phiroze Jeejeebhoy Towers,**
**Dalal Street, Fort,**
**Mumbai-400001**
**Tel No.: 022-2272 2039/37/3121**

**BSE Scrip Code: 511024**

**Subject: Annual Report for the financial year ended March 31, 2016 and Notice of Annual General Meeting of the Company.**

Sir/Madam,

Please find enclosed Annual Report of the Company for the Financial Year ended March 31, 2016 along with Notice of the Annual General Meeting of the Company scheduled to be held on September 30, 2016 at 2:00 p.m. at Eastern Court, B-101, 1st Floor, Junction of Tejpal and Parleshwar Road, Vile Parle, Mumbai-400057.

Kindly take the above on record and acknowledge the receipt of the same.

Thanking You,

Yours Sincerely,

For **Subway Finance & Investment Company Limited**

**Kalpesh Kanubhai Shah**
**Managing Director**
**DIN: 01227205**
**Address:** JVPD, Road No. 12,
Mahalaxmi Bldg, 4th Floor,
Plot No S/6, Kapol Society,
Vile Parle (West), Mumbai-400056

# SUBWAY FINANCE & INVESTMENT CO. LTD.

ANNUAL REPORT: 2015-2016

# TABLE OF CONTENTS


| SR.NO | PARTICULARS | PAGE NO |
|---|---|---|
| 1 | Introductory | 3 |
| 2 | Notice | 4 - 9 |
| 3 | Proxy Form | 10 - 11 |
| 4 | Attendance Slip | 12 |
| 5 | Ballot Form | 13 - 14 |
| 6 | Auditor's Report | 15 - 21 |
| 7 | Boards Report | 22 - 30 |
| 8 | Annexure:<br>I. Extract of Annual Return (MGT-9)<br>II. Management Discussion and Analysis Report<br>III. Corporate Governance Report<br>IV. Secretarial Audit Report (MR-3) | 31 - 55 |
| 9 | Balance Sheet | 56 |
| 10 | Profit and Loss Account | 57 |
| 11 | Cash Flow Statement | 58 |
| 12 | Notes | 59 - 71 |

# CORPORATE INFORMATION

## BOARD OF DIRECTORS

**Mr. Kalpesh Shah**
Chairman & Managing Director

**Mrs. Janki Shah**
Non-executive Independent Director

**Mr. Sandeep Parikh**
Independent director

**Mr. Suketu Shah**
Director

**Mr. Mayur Shah**
Director

**Mr. Dilip Karelia**
Independent Director

**Mr. Ashok Tanna** (Ceased from 4th July 2016)
Independent Director

## REGISTRAR & SHARE TRANSFER AGENT

**Sharex Dynamic (India) Pvt. Ltd**
**Add:** Unit-1, Luthra Ind. Premises, 1st Floor, 44 E,
M Vasanti Marg, Andheri Kurla Road,
Safeed Pool, Andheri East, Mumbai,
Maharashtra – 400 072
**Contact Details:** 022-28515606/ 28515644

## REGISTERED OFFICE

Eastern Court, B 101, 1st Floor,
Junction of Tejpal & Parleshwar Road,
Vile Parle, Mumbai – 400 057

# NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN THAT ANNUAL GENERAL MEETING OF THE MEMBERS OF SUBWAY FINANCE & INVESTMENT CO. LIMITED WILL BE HELD ON FRIDAY, 30TH SEPTEMBER, 2016 AT 2.00 P.M AT REGISTERED OFFICE OF THE COMPANY SITUATED AT EASTERN COURT, B-101, 1ST FLOOR, JUNCTION OF TEJPAL & PARLESHWAR ROAD, VILE PARLE, MUMBAI-400057 TO TRANSACT THE FOLLOWING BUSINESS:**

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the audited Balance Sheet as at March 31, 2016, the Statement of Profit and Loss for the year ended on that date and the Report of the Directors and the Auditors thereon.

2. To appoint a Director in place of Mr. Kalpesh Kanubhai Shah (DIN: 01227205), who retires by rotation and being eligible offers himself for re-appointment.

3. To re-appoint Auditors and fix their remuneration and for that purpose to pass with or without modification(s) the following resolution, as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to Sec 139, 142 and other applicable provisions of the Companies Act, 2013, if any read with the Companies (Audit & Auditors) Rules, 2014, including any statutory enactment or modification thereof, M/s Priya Choudhary & Associates, Chartered Accountants, (Registration No. 011506C) be and are hereby appointed as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the fourth Annual General Meeting of the Company, subject to ratification as to the said appointment at every Annual General Meeting, on such remuneration as may be determined by the Board of Directors in consultation with the Statutory Auditors of the Company**."**

**For and on behalf of the Board of Directors**
**Subway Finance & Investment Co. Limited**

**Sd/-**
**Kalpesh Kanubhai Shah**
**Managing Director**
**DIN:01227205**

**Address**: JVPD, Road No 12,
Mahalaxmi, Bldg, 4th Floor,
Plot No S/6, Kapol Society,
Vile Parle ( West), Mumbai-400 056

**Date: 12th August, 2016**
**Place : Mumbai**

## NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETINGS IS ENTITLED TO APPOINT A PROXY OR PROXIES TO ATTEND AND VOTE ON A POLL ONLY, INSTEAD OF HIMSELF AND A PROXY SO APPOINTED NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY FORM IN ORDER TO BE EFFECTIVE, MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE COMMENCEMENT OF THE MEETING.**

   **A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY (50) AND HOLDING IN THE AGGREGATE NOT MORE THAN 10% OF THE TOTAL SHARE CAPITAL OF THE COMPANY. IN CASE A PROXY IS PROPOSED TO BE APPOINTED BY A MEMBER HOLDING MORE THAN 10% OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS, THEN SUCH PROXY SHALL NOT ACT AS A PROXY FOR ANY OTHER PERSON OR SHAREHOLDER**

2. Members/proxies should bring duly attendance slip sent herewith to attend the meeting.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 23rd September 2016 to 30th September 2016 (both days inclusive).
4. Members holding shares in physical form are requested to notify the change, if any, in their address and blank mandate details to the Registrar and Share Transfer Agent, Sharex Dynamic (India) Pvt Ltd at Unit-1, Luthra Ind. Premises, 1st Floor,44 E, M Vasanti Marg, Andheri Kurla Road, Safeed Pool, Andheri East, Mumbai, Maharashtra – 400 072.
5. Members are requested to bring their copy of the Annual Report at the Annual General Meeting.
6. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote at the meeting.
7. Members seeking any information on the Accounts are requested to write to the Company, which should reach the Company at least one week before the date of the Annual General Meeting so as to enable the Management to keep the information ready. Replies will be provided only at the Annual General Meeting.
8. Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars etc. from the Company electronically.
9. Members are requested to immediately intimate changes, if any, in their registered addresses along with pin code number to the Company. Members holding shares in dematerialized mode are requested to intimate the same to their respective Depository Participants.
10. Members holding shares in physical form are requested to consider converting their holding to dematerialized form to eliminate risks associated with physical shares.
11. The Notice of the AGM along with the Annual Report 2015-16 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company / Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode.
12. All documents referred to in the accompanying Notice shall be open for inspection at the Registered Office of the Company during (3.00 pm to 5.00 pm) on all working days, upto and including the date of the Annual General Meeting of the Company.
13. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013 will be available for inspection by the members at the Annual General Meeting.
14. 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.

15. **Voting through electronic means**

In compliance with the provisions of Section 108 of the Act and the Rules made thereunder, the Members are provided with the facility to cast their vote electronically, through the e-Voting Services provided by Central Depository Services (India) Limited (CDSL) on all resolutions set forth in this Notice.

The instructions for e-voting are as under:

a) The voting period begins on Monday, 26th September, 2016, 9.00 A.M. and ends on Thursday, 29th September 2016 at 5.00 P.M. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 22nd September 2016, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

b) The shareholders should log on to the e-voting website www.evotingindia.com.

c) Click on Shareholders.

d) Now Enter your User ID

a. For CDSL: 16 digits beneficiary ID,

b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

e) Next enter the Image Verification as displayed and Click on Login.

f) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any Company, then your existing password is to be used.

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

| | **For Members holding shares in Demat Form and Physical Form** |
|---|---|
| PAN | Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)<br>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN field. |
| Dividend Bank Details<br>**OR** Date of Birth (DOB) | Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.<br>• If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv). |

h) After entering these details appropriately, click on "SUBMIT" tab.

i) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

j) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

k) Click on the EVSN for the relevant <Company Name> on which you choose to vote.

l) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

m) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

n) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

o) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

p) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

q) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

r) **Note for Non-Individual Shareholders & Custodians:**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

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

**Other Instructions**

A) The voting rights of Members shall be in proportion to their share of the paid up share capital of the Company as on 23rd September, 2016.

B) Ms. Kumudini Paranjape, Partner of Makarand M. Joshi & Co; Practising Company Secretaries has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

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

D) The Scrutinizer shall, within a period not exceeding three working days from the conclusion of the e-voting period shall make a report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.

E) The Results declared along with Scrutinizer's Report(s) will be available on the website of the Company (www.subwayfinance.in) within two days of passing of resolutions and communication of the same to the BSE Limited.

# PROFILE OF DIRECTOR

(Seeking Appointment/ Re-appointment)

As per Regulation 36 of SEBI (Listing Obligations and Disclosures Requirement) Regulation, 2015 and SS - 2

| | |
|---|---|
| Name | Kalpesh Kanubhai Shah |
| Age | 16th February, 1963 |
| Date of Appointment | 8th February, 2013 |
| Experience in functional area | Key Advisor to the Business,<br>Looks after marketing, sales, legal matters of the Company |
| Qualification | B.E. Civil |
| Terms and Condition of Appointment & Last Remuneration | 1. Terms and Condition are as decided by the Board.<br>2. No remuneration has been paid to him in the last year |
| Directorship in other Companies<br>(Public Limited Companies) | Eco Fitness Limited |
| Membership of Committees of other Public Companies<br>(Audit Committee /Nomination Remuneration Committee/Stakeholders Relationship Committee) | NIL |
| No. of Shares held in the company | 74420 shares |
| First Appointment by the Board | 8th February 2013 |
| Relationship with other Director, Manager & KMP | NA |
| Board Meeting attended (F.Y. 2015-16) | Five |

# ROUTE MAP

**Land Mark:** Parle Tilak Vidyalaya

# FORM NO. MGT-11

## PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

## SUBWAY FINANCE & INVESTMENT CO. LIMITED

CIN: L65990MH1983PLC029350

Regd. Office: Eastern Court, B 101, 1st Floor Junction of Tejpal & Parleshwar Road,Vile Parle, Mumbai – 400 057
Website: www.subwayfinance.in

Name of the member (s):

……

Registered address:

……

E-mail Id:

……

Folio No/ Client Id:

……

DP ID:

……

I/We, being the member (s) of ……. shares of the above named Bank, hereby appoint

1. Name:……

   Address:……

   E-mail Id:……Signature:……or failing him

2. Name:……

   Address:……

   E-mail Id:……Signature:……or failing him

3. Name:……

   Address:……

   E-mail Id:……Signature:……or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at Annual General Meeting of the Company to be held on Friday, 30th September, 2016 at 2.00 p.m. at Eastern Court, B 101, 1st Floor Junction of Tejpal & Parleshwar Road, Vile Parle, Mumbai – 400 057 and at any adjournment thereof in respect of such resolutions as are indicated below:

| Resolution No. | Optional * | |
|---|---|---|
| **Ordinary Business** | **For** | **Against** |
| 1. To receive, consider and adopt the audited Balance Sheet as at March 31, 2016, the Statement of Profit and Loss for the year ended on that date and the Report of the Directors and the Auditors thereon. | | |
| 2. To appoint a Director in place of Mr. Kalpesh Kanubhai Shah (DIN: 01227205) who retires by rotation and being eligible offer himself for re-appointment. | | |
| 3. To re-appoint Auditors and to fix the remuneration | | |

**Signed this ..... day of ..... 2016.**

**Signature of shareholder**

**Signature of Proxy holder(s)**

**Please affix the Revenue Stamp of Re. 1**

**Notes:**

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. A person can act as proxy on behalf of Members upto and not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company. Further, a Member holding more than ten percent, of the total share capital of the Bank carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or Member.

* it is optional to put a 'X' in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your proxy will be entitled to vote in the manner as he/she thinks appropriate.

---

## SUBWAY FINANCE & INVESTMENT CO. LIMITED

CIN: L65990MH1983PLC029350

Regd. Office: Eastern Court, B 101, 1st Floor Junction of Tejpal &
Parleshwar Road,Vile Parle, Mumbai – 400 057
Website: www.subwayfinance.in

# ANNUAL GENERAL MEETING

Please fill this attendance slip and hand it o0076er at the entrance of the venue of the meeting.

| | |
|---|---|
| **Name** | |
| **Address** | |
| **No. of Shares held** | |
| **DP ID No.** | |
| **Client Id No** | |
| **Regd. Folio No** | |

I certify that I am a member/ proxy / authorized representative for the member of the Company.

I hereby record my presence at the Annual General Meeting of Subway Finance & Investment Co. Limited on Friday, 30th September, 2016 at 2.00 p.m. at Eastern Court, B 101, 1st Floor, Junction of Tejpal & Parleshwar Road, Vile Parle Mumbai City

Name of the Member / proxy (in block letters)

Signature of the Member / Proxy

# SUBWAY FINANCE & INVESTMENT CO. LIMITED

CIN: L65990MH1983PLC029350

Regd. Office: Eastern Court, B 101, 1st Floor Junction of Tejpal &
Parleshwar Road,Vile Parle, Mumbai – 400 057
Website: www.subwayfinance.in

1. Name(s) of Member(s)
   (including joint-holders, if any)
2. Registered Folio No. /
   DPID No. / Client Id No.*
   (*Applicable to Members holding shares
   In dematerialized form) 3. Number of Shares Held:
4. I/We hereby exercise my/our vote in respect of the Ordinary Resolution(s) as specified in the Notice of **Subway Finance & Investment Co. Limited** dated 12th August, 2016 to be passed through Ballot for the business stated in the said Notice by conveying my/our assent or dissent to the said resolution in the relevant box below:

| Sr. No. | Description | Type of Resolution | No. of Share(s) | I/We assent to the Resolution (For) | I/We dissent to the Resolution (Against) |
|---|---|---|---|---|---|
| 1. | Adoption of the Audited Balance Sheet as at March 31, 2016, the Statement of Profit and Loss for the year ended on that date and the Report of the Directors and the Auditors thereon. | Ordinary Resolution | | | |
| 2. | Appointment of Director in place of Mr. Kalpesh Kanubhai Shah (DIN: 01227205) who retires by rotation and being eligible offers himself for re-appointment. | Ordinary Resolution | | | |
| 3. | Re-appointment of Auditor | Ordinary Resolution | | | |

**Place:**

**Date:**

_____

**(Signature of Member / Beneficial Official Owner)**

**E mail:** _____

**Tel No.** _____

## INSTRUCTIONS

1. Consent must be accorded by either placing a tick mark (√) in the appropriate column in the Ballot form. This Form should be completed and signed by the Shareholder(s) (as per the specimen signature registered/recorded with the Company/Depository Participants). In case of joint holding, this Form should be completed and signed by the first named Shareholder and in his absence, by the next named Shareholder.
2. There will be only one Ballot Form for every folio / Client ID irrespective of the number of joint Shareholder(s).
3. In case of shares held by companies, trusts, societies etc. the duly completed Ballot Form should be accompanied by a certified true copy of Board resolution/Power of Attorney / authority letter / attested specimen signatures, etc.
4. The Scrutinizer's decision on the validity of a Ballot will be final and binding.
5. Incomplete, unsigned or incorrect Ballot Forms will be rejected.
6. The result of the Ballot will be posted on the website of the Company.

# INDEPENDENT AUDITOR'S REPORT

**To,**

**The Members of**

**Subway Finance & Investment Co. Ltd.**

## Report on the Financial Statements

We have audited the accompanying (Standalone) financial statements of **Subway Finance & Investment Co. LTD.** which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss, Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

## Management's Responsibility for the (Standalone) Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 with respect to the preparation of these (Standalone) financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

## Auditor's Responsibility

Our responsibility is to express an opinion on these (Standalone) financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the (Standalone) financial statements.

## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid (Standalone) financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2015, and its Profit/Loss and its Cash Flow for the year ended on that date.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by section 143 (3) of the Act, we report that:

    a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

    b. In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

    c. The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account

    d. In our opinion, the aforesaid (Standalone) financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

    e. On the basis of written representations received from the directors as on March 31, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.

    f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B".**

    g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

        i. The Company does not have any pending litigations which would impact its financial position.

        ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

        iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

3. As required under Section 143(5), we report on the following directions issued under the section as under:

| Sr. No. | Directions | Replies |
|---|---|---|
| 1 | Whether the Company has clear title / lease deeds for freehold and leasehold respectively? If not, please state the area of freehold and leasehold land for which title / lease deeds are not available? | As informed by the management, Company does not possess any assets |
| 2 | Whether there are any cases of waiver / write off of debts / loans / interest etc. If yes, the reason there for and amount involved. | The company has reversed interest income booked in the FY 2014-15 amounting to Rs14.48 lacs due to non-payment by the borrower on final settlement of loan. |
| 3 | Whether proper records are maintained for inventories lying with third parties & assets received as gift / grant(s) from the Government or other Authorities? | There are no inventories lying with any third party and as per the information furnished to us, there are no assets received as gifts from Government or other Authorities. |
| 4 | Whether there are any cases of waiver of fees/ reversal of accounted fees which was due but not received / written off. If yes, the reasons thereof and amount involved-case wise. | Nil, subject to Point No .02 above. |

**For:**

**Priya Choudhary & Associates**

**Chartered Accountants**

**Sd/-**

**(Sarvesh Golecha)**

**Partner**

**M.No. 424350**

**Place. Mumbai**

**Date. 30.05.2016**

# ANNEXURE A" TO THE INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 1 under the heading 'Report on Other Legal & Regulatory Requirement' of our report of even date to the financial statements of the Company for the year ended March 31, 2016:

1) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;

(b) The Fixed Assets have been physically verified by the management in a phased manner, designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the company and nature of its business. Pursuant to the program, a portion of the fixed asset has been physically verified by the management during the year and no material discrepancies between the books records and the physical fixed assets have been noticed.

(c) The title deeds of immovable properties are held in the name of the company.

2) (a) The management has conducted the physical verification of inventory at reasonable intervals.

(b) The discrepancies noticed on physical verification of the inventory as compared to books records which has been properly dealt with in the books of account were not material.

3) The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Act. Being NBFC company, the provisions of clause 3 (iii) (a) to (C) of the Order are not applicable to the Company and hence not commented upon.

4) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and I86 of the Companies Act, 2013 In respect of loans, investments, guarantees, and security.

5) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act. No order in relation thereto has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.

6) As informed to us, the maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the company.

7) (a) According to the records of the Company, the undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty and Excise Duty, Cess have regularly deposited with the appropriate authorities. There are no undisputed amount payable in respect of such statutory dues which have remained outstanding as at 31st March, 2016 for a period more than six months from the date they became payable except the following Income Tax Liabilities.

(b) According to the information and explanation given to us, subject to above, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax outstanding on account of any dispute.

8) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks. The Company has not taken any loan either from financial institutions or from the government and has not issued any debentures.

9) Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans during the period.

10) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.

11) Based upon the audit procedures performed and the information and explanations given by the management, managerial remuneration has not been paid or provided, hence the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act are not required;

12) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company.

13) In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.

14) Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.

15) Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him.

16) The company is registered under section 45 IA of the Reserve Bank of India Act, 1934 .The Company has received the Registration Certificate from RBI vide Registration no 13.00209 dated 03.03.1998.

**For:**

**Priya Choudhary & Associates**

**Chartered Accountants**

**Sd/-**

**(Sarvesh Golecha)**

**Partner**

**M.No. 424350**

**Place. Mumbai**

**Date. 30.05.2016**

# "ANNEXURE B" TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF SUBWAY FINANCE & INVESTMENT CO. LTD.

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

We have audited the internal financial controls over financial reporting of **Subway Finance & Investment Co. Ltd.** as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

## Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on our audit. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of 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, as required under the Companies Act, 2013.

## Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

## Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly

reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

## Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on our audit.

**For:**

**Priya Choudhary & Associates**

**Chartered Accountants**

**Sd/-**

**(Sarvesh Golecha)**

**Partner**

**M.No. 424350**

**Place. Mumbai**

**Date. 30.05.2016**

# Director's Report

# Of

# Subway Finance & Investment Co. Ltd

# For the financial year 2015-16

### Names of the past and present Directors of the Company with Director Identification Number

| Name | DIN/PAN | Designation |
|---|---|---|
| Sandeep Padmakant Parikh | 00022365 | Director |
| Kalpesh Kanubhai Shah | 01227205 | Managing Director |
| Suketu Bhogilal Shah | 01227301 | Director |
| Mayur Kantilal Shah | 01227368 | Director |
| Bhupendra Ratilal Kadhi | AACPK5739Q | CFO |
| Dilip Madhubhai Karelia | 03411839 | Director |
| Janki Nehal Shah | 06906873 | Director |
| Ashok NarottamTanna | 01584634 | Director |

To,

The Members

**Subway Finance & Investment Co. Ltd.**

Your Directors are pleased to present their Annual Report and the Company's audited financial statement for the financial year ended March 31, 2016.

## Financial Summary/Highlights

The Company's financial performance, for the year ended 31st March, 2016 is summarised below:

| Particulars | 31st March, 2016 | 31st March, 2015 |
|---|---|---|
| Total Income | (202,800) | 17,06,201 |
| Less: Expenses | 733,289 | 735,487 |
| **Profit before exceptional and extraordinary items and tax** | (936,089) | 9,70,714 |
| Exceptional items | - | - |
| **Profit before extraordinary items and tax** | (936,089) | 9,70,714 |
| **Less:** extraordinary items | - | - |
| **Profit before tax** | (936,089) | 9,70,714 |
| Current Tax | - | 186,228 |
| Deferred Tax | - | - |
| **Profit After Taxation** | **(936,089)** | **784,486** |

## Operations

During the year under review, the Company reported gross loss from operations of Rs. 202,800/- as against to profit of Rs. 1,706,201/- during the financial year 2014-15.

The Company reported Profit Before Tax of Rs. (936,089)/- and Loss After Tax of Rs. (936,089)/- as against to profit of Rs. 970,714/- and Rs. 784,486/- respectively for the previous financial year.

## Report on performance of subsidiaries, associates and joint venture Companies

The Company did not have any subsidiaries, associates or joint ventures during the financial year.

## Transfer to reserves

During the financial year, the Company has incurred loss, due to which Company did not transfer any amount to the Statutory Reserve maintained under Section 45 IC of the RBI Act, 1934.

## Particulars of loans, guarantees or investments under Section 186

The Company is Non–Banking Financial Company. Hence, particulars of details of loans, guarantee, security or investments covered under Section 186 of the Companies Act, 2013 which is required to furnished are not applicable to the Company. Although particulars of loans, guarantees and investments provided during the financial year under review has been furnished in Notes to Accounts which forms part of the financials of the Company.

## Dividend

Considering the loss incurred in the current financial year, your Directors have not recommended any dividend for the financial year under review.

## Change in the nature of business

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

## Public Deposits

During the financial year 2015-16, your Company has not accepted any deposit within the meaning of Sections 73 and 74 of the Companies Act, 2013 read together with the Companies (Acceptance of Deposits) Rules, 2014.

## Directors and Key Managerial Personnel

The Board of your Company consists of seven Directors and CFO on the date of this report as follows:

The Company has following Directors & KMP in the Company:

| | | | |
|---|---|---|---|
| 1. | Kalpesh Kanubhai Shah | : | Executive, Managing Director |
| 2. | Suketu Bhogilal Shah | : | Executive Director |
| 3. | Mayur Kantilal Shah | : | Executive Director |
| 4. | Janki Nehal Shah | : | Non- Executive Director |
| 5. | Ashok Narottam Tanna | : | Independent Director |
| 6. | Sandeep Padmakant Parikh | : | Independent Director |
| 7. | Dilip Madhubhai Karelia | : | Independent Director |
| 8. | Bhupendra Ratilal Kadhi | : | CFO |

All the Directors have rich experience and specialized knowledge in various areas of relevance to the Company. The Company is immensely benefited by the range of experience and skills that the Directors bring to the Board. The composition of the Board is as per the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosures Requirements) Regulation, 2015.

Mr. Kalpesh Kanubhai Shah, Managing Director (holding DIN: 01227205), retires at the ensuing Annual General Meeting (AGM) and being eligible offers himself for re-appointment. The Board of Directors recommends the re-appointment of Mr. Kalpesh Kanubhai Shah as a Director of the Company. The detailed profile of Mr. Kalpesh Kanubhai Shah, recommended for re-appointment is mentioned in the Notice for the AGM.

None of the Directors are disqualified from being appointed/re-appointed as Directors of the Company as per the disclosure received from them pursuant to Section 164(2) of the Companies Act, 2013.

None of the Non-executive Directors had any pecuniary relationships or transactions with the Company which may have potential conflict with the interests of the Company at large.

## Declaration by Independent Director(s) and re-appointment, if any

The Company has three Independent Directors on the Board. The Company has received necessary declaration from each Independent Director under Section 149 (7) of the Companies Act, 2013, that the Independent Directors of the Company meet the criteria for their independence laid down in Section 149 (6) of the Companies Act, 2013.

## Committees of the Board

The Board of Directors of your Company has constituted the following committees in terms of the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosures Requirements), Regulation, 2015:

- Audit Committee
- Nomination and Remuneration Committee
- Stakeholders' Relationship Committee

The details regarding composition and meetings of these committees held during the year under review as also the meetings of the Board of the Board of Directors are given in the Corporate Governance Report which may be taken as forming part of this report

## Board Evaluation

In accordance with the provisions of the Companies Act, 2013 read with the rules made there under and the SEBI (Listing Obligations and Disclosures Requirements), Regulations, 2015 the Board has carried out formal annual evaluation of its own performance, performance of its various Committees and individual Directors. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report which may be taken as forming part of this Report.

## Policy on Nomination and Remuneration of Directors, KMPs and other employees

In terms of sub-section 3 of Section 178 and Regulation 19 of SEBI (Listing Obligations and Disclosures Requirements), Regulations, 2015 of the Companies Act, 2013, the Nomination and Remuneration Committee of the Company has laid down a policy on the selection and appointment of Directors and the Senior Management of the Company and their remuneration including criteria for determining qualifications, positive attributes, independence of a Director and other matters.

## Extract of Annual Return

The details forming part of the extract of the Annual Return in Form MGT - 9 in accordance with Section 92(3) of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, are enclosed as '**Annexure I'** to this report.

## Risk Management:

The details of the risk management framework adopted and implemented by the Company are given in the Corporate Governance Report which may be taken as forming part of this Report.

## Particulars of remuneration to employees

During the financial year 2015-16, no remuneration was paid to any of the Directors of the Company.

## Particulars of contracts or arrangements made with related parties

There were no new contract or arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act 2013 during the financial year 2015-2016. Hence, particulars of related party contracts or arrangements in form AOC - 2 is not applicable.

## Material changes and commitments affecting financial position between the end of the financial year and date of report

There are no material changes and commitments affecting financial position between the end of the financial year and date of report.

## Directors' Responsibility Statement

In terms of Section 134(5) of the Companies Act, 2013, in relation to the audited financial statements of the Company for the year ended 31st March, 2016, the Board of Directors hereby confirms that:

a) in the preparation of the accounts for the financial year ended on 31st March, 2016, the applicable accounting standards have been followed and there are no material departures from the same;

b) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2016 and of the loss of the Company for the year ended on that date;

c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d) the Directors had prepared the accounts for the financial year ended on 31st March, 2016 on a 'going concern' basis;

e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls were adequate and were operating effectively; and

f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

## Management Discussion & Analysis

A separate report on Management Discussion & Analysis is appended to this Annual Report and forms part of this Directors' Report as '**Annexure II'**.

## Report on Corporate Governance

The compliance with the corporate governance provisions specified in SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 is not applicable to our Company.

But Company voluntarily complies with the Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015; a detailed Report on Corporate Governance is enclosed as a part of this Annual Report as '**Annexure III'**.

## Disclosure of Internal Financial Controls

The Internal Financial Controls with reference to financial statements as designed and implemented by the Company are adequate. During the year under review, no material or serious observation has been received from the Statutory Auditors of the Company for inefficiency or inadequacy of such controls.

## Auditors and Auditors' Report

**a) Statutory Auditors**

M/s. Priya Choudhary & Associates (Registration No. 011506C), Chartered Accountants, Statutory Auditors of the Company, hold office till the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment. They have confirmed their eligibility to the effect that their re-appointment, if made, would be within the prescribed limits under the Act and that they are not disqualified for re-appointment.

The Notes on the financial statement referred to in the Auditors' Report are self-explanatory and do not call for any further comments. The Auditors' Report does not contain any qualification, reservation, adverse remark or disclaimer.

**b) Secretarial Auditors**

The Board has appointed M/s Makarand M. Joshi & Co., Practicing Company Secretaries, to conduct the Secretarial Audit of the Company for the financial year 2015-2016, as required under Section 204 of the Companies Act, 2013 and Rules thereunder. The secretarial audit report for financial year 2015-2016 forms part of the Directors Report as **'Annexure IV'**.

The qualification/Observation given by the Company secretary in practice in his secretarial audit report for the financial year 2015-2016 is as follows:

**Observations:**

*The Company has not appointed Company Secretary in whole time employment of the Company which is required to be appointed as per Section 203 of the Companies Act, 2013 and rules made thereunder.*

**Directors Reply to the observation:**

The Company is in the process of finding appropriate candidate for the position of Company secretary and it will ensure to appoint such person at the earliest in ensuing financial year.

**c) Internal Auditors**

M/s. Kadhi & Associates, Chartered Accountant, were appointed the Internal Auditors of the Company for the financial year 2015--16. Based on the recommendation of the Audit Committee of the Company, the Board of Directors has appointed M/s. Kadhi & Associates, Chartered Accountant as the Internal Auditors of the Company for the financial year 2015-16.

**Disclosures**

- **Meetings**

  A calendar of Meetings is prepared and circulated in advance to the Directors. During the year five Board Meetings and four Audit Committee Meetings were convened and held. The details of which are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under Regulation 18 of the SEBI (Listing Obligation and Disclosures Requirements), Regulations, 2015.

- **Corporate Social Responsibility**

  The Company is not falling in any criteria as mentioned in Section 135 of the Act read with Companies (Corporate Social Responsibility Policy) Rules, 2014, the Act. Hence, provision of CSR is not applicable to the Company.

- **Audit Committee**

  Your Directors have, in compliance with the provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, constituted the Audit Committee of the Board. As on date, the members of the Audit Committee are Mr Sandeep Padmakant Parikh (Chairman), Mr. Ashok Narottam Tanna and Mr. Dilip Madhubhai Karelia.

- **Vigil Mechanism**

  The Company has established and adopted Vigil Mechanism and the policy thereof for Directors and employees of the Company in accordance with the provisions of Companies Act, 2013 as well as Listing Regulations. During the year under review, no personnel of the Company approached the Audit Committee on any issue falling under the said policy. The vigil mechanism policy is available on the website www.subwayfinance.in

## Insurance

The properties, assets and inventories of your Company are adequately insured.

## Industrial Relation

The Company considers human resources as its most critical asset and is putting in place various practices to ensure healthy work environment. Industrial relations continued to be cordial and harmonious throughout the year.

## Disclosure under Section 197(12) of the Companies Act, 2013 and other disclosures as per rule 5 of companies (Appointment & Remuneration) Rules, 2014

The Company is not paying any remuneration to the Directors and KMP of the Company. Further, the Company does not have any employees.

## Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

The particulars as required under the provisions of Section 134(3)(m) of the Companies Act, 2013, read with Rule 8 of the Companies (Accounts) Rules, 2014 in respect of conservation of energy, technology absorption, foreign exchange earnings and outgo etc. are furnished below

**A. Conservation of Energy:**

| | |
|---|---|
| Steps taken or impact on conservation of energy | Taking in to consideration business of the Company, The Company has not spent any substantial amount on Conservation of Energy to be disclosed here. |
| Steps taken by the company for utilizing alternate sources of energy | |
| Capital investment on energy conservation equipments | |

**B. Technology Absorption**

- **Efforts made towards technology absorption:** Considering the nature of activities of the Company, there is no requirement with regard to technology absorption.
- **Benefits derived as a result of the above efforts:** Since the Company did make any technology absorption there was no benefits derived from the same.
- **In case of imported technology (imported during the last 3 years reckoned from the beginning of the financial year)**: no new technology has been imported during the year.

  (a) the details of technology imported: Not Applicable

  (b) the year of import: Not Applicable

  (c) whether the technology been fully absorbed: Not Applicable

  (d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof: Not Applicable

- **Expenditure Incurred on Research and Development:** The Company has not spent any money on Research and Development during the financial year 2015-16.

**C. Foreign exchange earnings and outgo**

There was no Foreign Currency earning & expenditure during the year.

## Disclosure Under Section 43(a)(ii) Of The Companies Act, 2013

The Company has not issued any shares with differential rights and hence no information as per provisions of Section 43(a)(ii) of the Act read with Rule 4(4) of the Companies (Share Capital and Debenture) Rules, 2014 is furnished.

## Disclosure Under Section 54(1)(d) Of The Companies Act, 2013

The Company has not issued any sweat equity shares during the year under review and hence no information as per provisions of Section 54(1)(d) of the Act read with Rule 8(13) of the Companies (Share Capital and Debenture) Rules, 2014 is furnished.

## Disclosure under Section 62(1)(b) of the Companies Act, 2013:

The Company has not issued any equity shares under Employees Stock Option Scheme during the year under review and hence no information as per provisions of Section 62(1)(b) of the Act read with Rule 12(9) of the Companies (Share Capital and Debenture) Rules, 2014 is furnished.

## Disclosure under Section 67(3) of the Companies Act, 2013

During the year under review, there were no instances of non-exercising of voting rights in respect of shares purchased directly by employees under a scheme pursuant to Section 67(3) of the Act read with Rule 16(4) of Companies (Share Capital and Debentures) Rules, 2014 is furnished.

## Details of Significant and material orders passed by the regulators

There were no significant/material orders passed by the regulators or courts or tribunals impacting the going concern status of your Company and its operations in future.

## General

Your Directors further state that 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

## Acknowledgment

Your Directors would like to express their grateful appreciation for the assistance, support and co-operation received from the Financial Institutions, Banks, Government Authorities and Shareholders during the year under review.

Your Directors also wish to place on record their deep sense of appreciation for the committed services of the employees of the Company at all levels.

For and on behalf of the Board of Directors

**Subway Finance & Investment Co. Ltd.**

| | |
|---|---|
| Sd- | Sd- |
| Kalpesh Shah | Suketu Shah |
| DIN: 01227205 | DIN: 01227301 |
| Managing Director | Director |
| JVPD, Road No 12, | 601, Manju Castle, Church Road, |
| Mahalaxmi, BLDG, Plot No S/6, | Off St.Xaviers Road, Vile Parle (W), |
| Kapol Society, Vile Parle (West), | Mumbai - 400056 |
| Mumbai - 400056 | |

Place: Mumbai

Date: 13.06.2016

# MGT-9

## Extract of Annual Return as on the financial year ended on March 31, 2016

[Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

### I. Registration and other details:

| | |
|---|---|
| **CIN** | L65990MH1983PLC029350 |
| **Registration Date** | 19-02-1983 |
| **Name of the Company** | Subway Finance & Investment Co. Ltd |
| **Category/**<br>**Sub-category of the Company** | Company Limited By Shares<br>Non-Govt Company |
| **Address of the Registered office and**<br>**Contact details** | Eastern Court, B 101, 1st Floor, Junction Of Tejpal & Parleshwar Road, Vile Parle Mumbai-400057 |
| **Whether listed Company** | Yes |
| **Name, Address and Contact details** | **Sharex Dynamic (India) Pvt. Ltd**<br>**Add:** Unit-1, Luthra Ind. Premises, 1st Floor,44 E, M Vasanti Marg, Andheri Kurla Road, Safeed Pool, Andheri East, Mumbai, Maharashtra – 400 072<br>**Contact Details:** 022-28515606/ 28515644<br>**Website:**www.sharexindia.com |

### II. Principal Business Activities of the Company

| Sl. No. | Name and Description of main products/services | NIC Code of the Product/ Service | % to total turnover of the Company |
|---|---|---|---|
| 1 | Other Credit Granting | 64920 | 100 |

### III. Particulars of Holding, Subsidiary and Associate Company – Not Applicable

| S. No | Name and Address of the Company | CIN/GLN | Holding/ Subsidiary/ Associate | % of shares held | Applicable section |
|---|---|---|---|---|---|
| - | - | - | - | - | - |

**IV. Share Holding Pattern (Equity Share Capital Breakup as percentage of Total Equity)**

i. **Category-wise Share Holding**

| Category of Shareholders | No. of shares held at the beginning of the year | | | | No. of Shares held at the end of the year | | | | % Change during the year |
|---|---|---|---|---|---|---|---|---|---|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| A. **Promoters** | | | | | | | | | |
| (1) **Indian** | | | | | | | | | |
| (a) Individual/ HUF | 808425 | 0 | 808425 | 73.327 | 808425 | 0 | 808425 | 73.327 | 0 |
| (b) Central Govt | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (c) State Govt | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (d) Bodies Corp. | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (e) Banks/FI | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (f) Any other | | | | | | | | | |
| **Sub-total (A) (1)** | **808425** | **0** | **808425** | **73.327** | **808425** | **0** | **808425** | **73.327** | **0** |
| (2) **Foreign** | | | | | | | | | |
| (a) NRIs – Individuals | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (b) Other – Individuals | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (c) Bodies Corporate | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (d) Banks/FI | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (e) Any other | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **Sub-total (A) (2)** | **0** | **0** | **0** | **0** | **0** | **0** | **0** | **0** | **0** |
| **Total Shareholding of Promoter (A) = (A)(1) + (A)(2)** | **808425** | **0** | **808425** | **73.327** | **808425** | **0** | **808425** | **73.327** | **0** |
| B. **Public Shareholding** | | | | | | | | | |
| (1) Institutions | | | | | | | | | |
| (a) Mutual Funds | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (b) Banks/ FI | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (c) Central Govt | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (d) State Govt(s) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (e) Venture CapitalFunds | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (f) Insurance Companies | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (g) FIIs | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (h) Foreign Venture Capital Funds | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (i) Others (Specify) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **Sub-total (B) (1)** | **0** | **0** | **0** | **0** | **0** | **0** | **0** | **0** | **0** |

| Category of Shareholders | No. of shares held at the beginning of the year | | | | No. of Shares held at the end of the year | | | | % Change during the year |
|---|---|---|---|---|---|---|---|---|---|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| (2) **Non- institution** | | | | | | | | | |
| (a) Bodies Corp. | | | | | | | | | |
| i. Indian | 4500 | 0 | 4500 | 0.408 | 4500 | 0 | 4500 | 0.408 | 0 |
| ii. Overseas | 20000 | 162245 | 182245 | 16.53 | 20000 | 162245 | 182245 | 16.53 | 0 |
| (b) Individuals | | | | | | | | | |
| i. Individual shareholders holding nominal share capital upto Rs. 1 lakh | 0 | 10733 | 107330 | 9.735 | 0 | 107330 | 107330 | 9.735 | 0 |
| ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (c) Others (Specify) | | | | | | | | | |
| i. Non-Resident Indians | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| ii. Overseas Corporate Bodies | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| iii. Foreign Nationals | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| iv. Clearing Members | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| v. Trusts | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| vi. Foreign Bodies – D R | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **Sub-total (B)(2)** | **24500** | **269575** | **294075** | **26.673** | **24500** | **269575** | **294075** | **26.673** | **0** |
| **Total Public Shareholding (B)= (B)(1) + (B)(2)** | **24500** | **269575** | **294075** | **26.673** | **24500** | **269575** | **294075** | **26.673** | **0** |
| C. **Shares held by Custodian for GDRs & ADRs** | | | | | | | | | |
| **Grand Total (A+B+C)** | **832925** | **269575** | **1102500** | **100.00** | **832925** | **269575** | **1102500** | **100.00** | **0** |

iii. **Shareholding of Promoters**

| Sl. No. | Shareholder's Name | Shareholding at the beginning of the year | | | Shareholding at the end of the year | | | % change in share holding during the year |
|---|---|---|---|---|---|---|---|---|
| | | No. of Shares | % of total Shares of the Company | % of Shares Pledged/ encumbered to total shares | No. of Shares | % of total Shares of the Company | % of Shares Pledged/ encumbered to total shares | |
| 1 | Bhupendra Ratilal Kadhi | 22050 | 2 | | 22050 | 2 | | |
| 2 | Harsha Harshad Shah | 49615 | 4.5 | | 49615 | 4.5 | | |
| 3 | Harshad Kantilal Shah | 74420 | 6.75 | | 74420 | 6.75 | | |
| 4 | Suketu Bhogilal Shah | 74420 | 6.75 | | 74420 | 6.75 | | |
| 5 | Rahul Kantilal Shah | 74420 | 6.75 | | 74420 | 6.75 | | |
| 6 | Amita Rahul Shah | 27565 | 2.5 | | 27565 | 2.5 | | |
| 7 | Sangita Kalpesh Shah | 38590 | 3.5 | | 38590 | 3.5 | | |
| 8 | Bhadra Nitin Shah | 11025 | 1 | | 11025 | 1 | | |
| 9 | Bhavana Suketu Shah | 30320 | 2.75 | | 30320 | 2.75 | | |
| 10 | Nitin Kantilal Shah | 74420 | 6.75 | | 74420 | 6.75 | | |
| 11 | Shaili Kavish Shah | 8270 | 0.75 | | 8270 | 0.75 | | |
| 12 | Manisha Bhupendra Kadhi | 22050 | 2 | | 22050 | 2 | | |
| 13 | Kalpesh Kanubhai Shah | 74420 | 6.75 | | 74420 | 6.75 | | |
| 14 | Mayur Kantilal Shah | 74420 | 6.75 | | 74420 | 6.75 | | |
| 15 | Rashes Sureshchandra Shah | 20115 | 1.824 | | 20115 | 1.824 | | |
| 16 | Jayshree Mayur Shah | 38590 | 3.5 | | 38590 | 3.5 | | |
| 17 | Ankur Nitin Shah | 11025 | 1 | | 11025 | 1 | | |
| 18 | Nehal Nitin Shah | 11025 | 1 | | 11025 | 1 | | |
| 19 | Janki Nehal Shah | 8270 | 0.75 | | 8270 | 0.75 | | |
| 20 | Viraj Rahul Shah | 11025 | 1 | | 11025 | 1 | | |
| 21 | Kavish Suketu Shah | 11025 | 1 | | 11025 | 1 | | |
| 22 | Hetu Ankur Shah | 8270 | 0.75 | | 8270 | 0.75 | | |
| 23 | Ishan Rahul Shah | 11025 | 1 | | 11025 | 1 | | |
| 24 | Akshay Kalpesh Shah | 11025 | 1 | | 11025 | 1 | | |
| 25 | Parth Mayur Shah | 11025 | 1 | | 11025 | 1 | | |
| | | | | | | | | |

iv. **Change in Promoters' Shareholding – No change**

| SR No. | Shareholder's Name | Shareholding at the beginning of the year 01/04/2015 | | | Share holding at the end of the Year 31/03/2016 | | | % of total Shares of the company |
|---|---|---|---|---|---|---|---|---|
| | | No. of Shares at the beginning (01-04-2015) / end of the year (31-03-2016) | % of total Shares of the company | Date | Increasing / Decreasing in shareholding | Reason | No. of Shares | |
| 1 | N.A. | | | | | | | |

v. **Shareholding pattern of top ten shareholders (other than Directors, Promoters and Holders of GDRs and ADRs) :**

| Sl. No. | For each of the Top 10 Shareholders | Shareholding at the beginning of the year | | Cumulative shareholding during the year | |
|---|---|---|---|---|---|
| | | No. of shares | % of total shares of the Company | No. of shares | % of total shares of the Company |
| 1. | Ravitej Rasiklal Kapadia | | | | |
| | At the beginning of the year | 10620 | 0.963 | 10620 | 0.963 |
| | Date wise Increase/ Decrease in share holding during the year specifying the reasons for increase/ decrease | - | - | - | - |
| | At the end of the year (or on the date of separation, if separated during the year) | 10620 | 0.963 | 10620 | 0.963 |
| 2. | Bipinchandra Natwarlal Shah | | | | |
| | At the beginning of the year | 10575 | 0.959 | 10575 | 0.959 |
| | Date wise Increase/ Decrease in share holding during the year specifying the reasons for increase/ decrease | - | - | - | - |
| | At the end of the year (or on the date of separation, if separated during the year) | 10575 | 0.959 | 10575 | 0.959 |
| 3. | Nishita Jayesh Shah | | | | |
| | At the beginning of the year | 10800 | 0.98 | 10800 | 0.98 |
| | Date wise Increase/ Decrease in share holding during the year specifying the reasons for increase/ decrease | - | - | - | - |
| | At the end of the year (or on the date of separation, if separated during the year) | 10800 | 0.98 | 10800 | 0.98 |
| 4. | Kamlesh Navinchandra Mehta | | | | |
| | At the beginning of the year | 10800 | 0.98 | 10800 | 0.98 |
| | Date wise Increase/ Decrease in share holding during the year specifying the reasons for increase/ decrease | - | - | - | - |

| Sl. No. | For each of the Top 10 Shareholders | Shareholding at the beginning of the year | | Cumulative shareholding during the year | |
|---|---|---|---|---|---|
| | | No. of shares | % of total shares of the Company | No. of shares | % of total shares of the Company |
| | At the end of the year (or on the date of separation, if separated during the year) | 10800 | 0.98 | 10800 | 0.98 |
| 5. | Monalisa Kamlesh Mehta | | | | |
| | At the beginning of the year | 10800 | 0.98 | 10800 | 0.98 |
| | Date wise Increase/ Decrease in share holding during the year specifying the reasons for increase/ decrease | - | - | - | - |
| | At the end of the year (or on the date of separation, if separated during the year) | 10800 | 0.98 | 10800 | 0.98 |
| 6. | Kalyani Nitin Tridevi | | | | |
| | At the beginning of the year | 10800 | 0.98 | 10800 | 0.98 |
| | Date wise Increase/ Decrease in share holding during the year specifying the reasons for increase/ decrease | - | - | - | - |
| | At the end of the year (or on the date of separation, if separated during the year) | 10800 | 0.98 | 10800 | 0.98 |
| 7. | Bhavisha Rushi Ruparel | | | | |
| | At the beginning of the year | 10700 | 0.971 | 10700 | 0.971 |
| | Date wise Increase/ Decrease in share holding during the year specifying the reasons for increase/ decrease | - | - | - | - |
| | At the end of the year (or on the date of separation, if separated during the year) | 10700 | 0.971 | 10700 | 0.971 |
| 8. | Rushi Bharat Ruparel | | | | |
| | At the beginning of the year | 10900 | 0.989 | 10900 | 0.989 |
| | Date wise Increase/ Decrease in share holding during the year specifying the reasons for increase/ decrease | - | - | - | - |
| | At the end of the year (or on the date of separation, if separated during the year) | 10900 | 0.989 | 10900 | 0.989 |
| 9. | Pritesh Abhaykumar Shah | | | | |
| | At the beginning of the year | 10850 | 0.984 | 10850 | 0.984 |

| Sl. No. | For each of the Top 10 Shareholders | Shareholding at the beginning of the year | | Cumulative shareholding during the year | |
|---|---|---|---|---|---|
| | | No. of shares | % of total shares of the Company | No. of shares | % of total shares of the Company |
| | Date wise Increase/ Decrease in share holding during the year specifying the reasons for increase/ decrease | - | - | - | - |
| | At the end of the year (or on the date of separation, if separated during the year) | 10850 | 0.984 | 10850 | 0.984 |
| 10. | Darshna Padhya | | | | |
| | At the beginning of the year | 10980 | 0.996 | 10980 | 0.996 |
| | Date wise Increase/ Decrease in share holding during the year specifying the reasons for increase/ decrease | - | - | - | - |
| | At the end of the year (or on the date of separation, if separated during the year) | 10980 | 0.996 | 10980 | 0.996 |

vi. **Shareholding of Directors and Key Managerial Personnel:**

| Sl. No. | For each of the Directors and KMP | Shareholding at the beginning of the year | | Cumulative shareholding during the year | |
|---|---|---|---|---|---|
| | | No. of shares | % of total shares of the Company | No. of shares | % of total shares of the Company |
| 1. | Sandeep Padmakant Parikh - Director | | | | |
| | At the beginning of the year | 0 | 0 | 0 | 0 |
| | Date wise Increase/ Decrease in share holding during the year specifying the reasons for increase/ decrease | - | - | - | - |
| | At the end of the year | 0 | 0 | 0 | 0 |
| 2. | Kalpesh Kanubhai Shah – Managing Director | | | | |
| | At the beginning of the year | 74220 | 6.75 | 74220 | 6.75 |
| | Date wise Increase/ Decrease in share holding during the year specifying the reasons for increase/ decrease | - | - | - | - |
| | At the end of the year | 74220 | 6.75 | 74220 | 6.75 |
| 3. | Suketu Bogilal Shah - Director | | | | |
| | At the beginning of the year | 74220 | 6.75 | 74220 | 6.75 |
| | Date wise Increase/ Decrease in share holding during the year specifying the reasons for increase/ decrease | - | - | - | - |

| Sl. No. | For each of the Directors and KMP | Shareholding at the beginning of the year | | Cumulative shareholding during the year | |
|---|---|---|---|---|---|
| | | No. of shares | % of total shares of the Company | No. of shares | % of total shares of the Company |
| | At the end of the year | 74220 | 6.75 | 74220 | 6.75 |
| 4. | Mayur Kantilal Shah - Director | | | | |
| | At the beginning of the year | 74220 | 6.75 | 74220 | 6.75 |
| | Date wise Increase/ Decrease in share holding during the year specifying the reasons for increase/ decrease | - | - | - | - |
| | At the end of the year | 74220 | 6.75 | 74220 | 6.75 |
| 5. | Bhupendra Ratilal Kadhi - CFO | | | | |
| | At the beginning of the year | 22050 | 2 | 22050 | 2 |
| | Date wise Increase/ Decrease in share holding during the year specifying the reasons for increase/ decrease | - | - | - | - |
| | At the end of the year | 22050 | 2 | 22050 | 2 |
| 6. | Dilip Madhubhai Karelia - Director | | | | |
| | At the beginning of the year | 0 | 0 | 0 | 0 |
| | Date wise Increase/ Decrease in share holding during the year specifying the reasons for increase/ decrease | - | - | - | - |
| | At the end of the year | 0 | 0 | 0 | 0 |
| 7. | Janki Nehal Shah - Director | | | | |
| | At the beginning of the year | 8,270 | 0.75 | 8,270 | 0.75 |
| | Date wise Increase/ Decrease in share holding during the year specifying the reasons for increase/ decrease | - | - | - | - |
| | At the end of the year (or on the date of separation, if separated during the year) | 8,270 | 0.75 | 8,270 | 0.75 |
| 8. | Ashok Narotam Tanna | | | | |
| | At the beginning of the year | 0 | 0 | 0 | 0 |
| | Date wise Increase/ Decrease in share holding during the year specifying the reasons for increase/ decrease | - | - | - | - |
| | At the end of the year | 0 | 0 | 0 | 0 |

**V. Indebtedness**

**Indebtness of the Company including interest outstanding/accrued but not due for payment**

| | Secured Loans excluding deposits | Unsecured Loans (Short Term) | Deposits | Total Indebtedness |
|---|---|---|---|---|
| **Indebtedness at the beginning of the financial year** | | | | |
| i. **Principal Amount** | **Nil** | **Nil** | **Nil** | **Nil** |
| ii. **Interest due but not paid** | **Nil** | **Nil** | **Nil** | **Nil** |
| iii. **Interest accrued but not due** | **Nil** | **Nil** | **Nil** | **Nil** |
| **Total (i+ii+iii)** | **Nil** | **Nil** | **Nil** | **Nil** |
| **Change in Indebtedness during the financial year** | | | | |
| • **Addition** | **Nil** | **16,98,729** | **Nil** | **16,98,729** |
| • **Reduction** | **Nil** | **Nil** | **Nil** | **Nil** |
| **Net Change** | **Nil** | **16,98,729** | **Nil** | **16,98,729** |
| **Indebtedness at the end of the financial year** | | | | |
| i. **Principal Amount** | **Nil** | **16,98,729** | **Nil** | **16,98,729** |
| ii. **Interest due but not paid** | **Nil** | **Nil** | **Nil** | **Nil** |
| iii. **Interest accrued but not due** | **Nil** | **Nil** | **Nil** | **Nil** |
| **Total (i+ii+iii)** | **Nil** | **16,98,729** | **Nil** | **16,98,729** |

**VI. Remuneration of Directors and Key Managerial Personnel**

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

| Sl. No. | Particulars of Remuneration | Name of MD/WTD/Manager | | | | Total |
|---|---|---|---|---|---|---|
| **1.** | **Gross salary**<br>(a) **Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961**<br>(b) **Value of perquisites u/s 17(2) Income-tax Act, 1961**<br>(c) **Profits in lieu of salary u/s 17(3) Income-tax Act, 1961** | | | | | Nil |
| **2.** | **Stock Option** | | | | | |
| **3.** | **Sweat Equity** | | | | | |
| **4.** | **Commission**<br>- **As % of profit**<br>- **Others, specify** | | | | | |

| Sl. No. | Particulars of Remuneration | Name of MD/WTD/Manager | | | | Total |
|---|---|---|---|---|---|---|
| 5. | Others, please specify | | | | | |
| | Total (A) | | | | | |
| | Ceiling as per the Act | | | | | |

B. **Remuneration to other directors**

| Sl. No. | Particulars of Remuneration | Name of MD/WTD/Manager | | | | Total |
|---|---|---|---|---|---|---|
| | | | | | | |
| | 3. Independent Directors<br>• Fee for attending board/ committee meetings<br>• Commission<br>• Others, specify | | | | | Nil |
| | Total (1) | | | | | |
| | 4. Other Non-Executive Directors.<br>• Fee for attending Board or Committee meetings<br>• Commission<br>• Others, please specify | | | | | |
| | Total (2) | | | | | |
| | Total (B)=(1+2) | | | | | |
| | Total Managerial Remuneration | | | | | |
| | Overall Ceiling as per thee Act | | | | | |

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

| Sl. No. | Particulars of Remuneration | Key Managerial Personnel |
|---|---|---|
| | | Chief Financial Officer (CFO) |
| 1. | Gross salary<br>(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961<br>(b) Value of perquisites u/s 17(2) Income –tax Act, 1961<br>(c) Profits in lieu of salary under section 17(3) Income-tax Act 1961 | Nil |
| 2. | Stock Option | |

| Sl. No. | Particulars of Remuneration | Key Managerial Personnel |
|---|---|---|
| | | **Chief Financial Officer (CFO)** |
| 3. | Sweat Equity | |
| 4. | Commission<br>-as % of profit<br>-others, specify… | |
| 5. | Others, please specify | |
| | **Total** | |

**VII. Penalties/Punishment/Compounding Of Offences: NIL**

| Type | Section of the Companies Act | Brief Description | Details of Penalty/ Punishment/ Compounding Fees imposed | Authority [RD/NCLT/ COURT] | Appeal made, if any(give Details) |
|---|---|---|---|---|---|
| Penalty | | | | | |
| Punishment | | | | | |
| Compounding | | | | | |
| **C. OTHER OFFICERS IN DEFAULT** | | | | | |
| Penalty | | | | | |
| Punishment | | | | | |
| Compounding | | | | | |

**For Subway Finance & Investment Co. Limited**

**Sd/-**

**Kalpesh Shah**

**Managing Director**

**DIN: 01227205**

**Address:**JVPD, Road No 12,

Mahalaxmi BLDG, 4th Floor,

Plot No S/6, Kapol Society,

Vile Parle (West), Mumbai-400056

**Date:** 13.06.2016

**Place:** Mumbai

# Management Discussion and Analysis Report

## Industry Structure and Development

Your Company being Non-Banking Financial Company is engaged in the business providing finance and advancing short term and long term loans and credits to individuals, companies or association of individuals either on securities such as lands, buildings or part thereof, machinery, plants, chattels, vehicles, shares, debentures, government securities, stock certificates, life insurance policies and unit stock-in-trade or by purchasing, discounting or accepting bills of exchange, promissory notes or other negotiable instruments and to act as underwriters, firm financing acceptance houses, confirming houses, venture capital funds, merchant bankers, or investors.

## Opportunities & Threats

The Company is expecting good opportunities in the upcoming financial year. However, threats are perceived from its existing and prospective competitors in the same field.

## Segment Wise Operational Performance

The Companies growth considering the past few years' performance has declined. The Company is striving hard for increasing profits from year to year. The total revenue from the operations for the year ended March 31, 2016 declined to Rs. (2,02,800) as against Rs.17,06,201 in a previous financial year 2014-15.

## Outlook

Your Company, keeping pace with the overall market scenario, has grown significantly. Your Company envisages optimistic growth in the near-term as it appears that economy has bottomed out and interest rates are on a sustainable downtrend as inflation has been steadily low in recent times. These factors will boost demand from our customers.

## Risks and Concerns

The major risk area being faced by the is interest rate volatility where Fluctuations in interest rates could adversely affect borrowing costs, interest income and net interest margins of companies in the financial sector. The company also has competition risk as the financial services space in India is highly competitive.

## Internal Control Systems and Their Adequacy

The Company has in place adequate internal control systems covering all its operations. Proper accounting records highlight the economy and efficiency of operations, safeguarding of assets against unauthorized use or losses, and the reliability of financial and operational information.

Some of the significant features of internal control system are:

- Financial and Commercial functions have been structured to provide adequate support and control of the business.
- Risk Management policy has been adopted by the Company.
- The Company has an Internal Audit System conducted by the internal auditor of the Company. Standard operating procedures and guidelines are reviewed periodically to ensure adequate control.

## Discussion on Financial Performance with Respect to Operational Performance

The Company's revenue from operations has declined as compared to the previous financial year ended 31st March, 2015 for which it was Rs. 1,706,201 to (Rs. 202,800)

## Human Resources

Your Company continuously endeavours to improve the work environment for its employees. Competitive compensation package, innovative and challenging environment to work, transportation facilities, etc., are some of the steps taken by the Company for the welfare of its employees.

## Cautionary Statement

Statements in the Management Discussion & Analysis Report describing the Company's expectations, opinion, and predictions may please be considered as "forward looking statements" only. Actual results could differ from those expressed or implied. Company's operations should be viewed in light of changes in market conditions, prices of raw materials, economic developments in the country and such other factors.

**For Subway Finance & Investment Co. Ltd.**

**Sd/-**

**Kalpesh Shah**

**Managing Director**

**DIN: 01227205**

**Address:**JVPD, Road No 12,

Mahalaxmi BLDG, 4th Floor,

Plot No S/6, Kapol Society,

Vile Parle (West), Mumbai-400056

**Date:** 13.06.2016

**Place:** Mumbai

# Company's Philosophy on the Code of Corporate Governance

Transparency and accountability are the two basic tenets of Corporate Governance. Responsible corporate conduct is integral to the way we do our business. We are committed to doing things the right way which means taking business decisions and acting in a way that is ethical and is in compliance with the applicable legislation.

We acknowledge our individual and collective responsibilities to manage our business activities with integrity. Our Code of Conduct inspires us to set standards which not only meet the applicable legislation but also exceed them in many areas of our business operations.

The Company's philosophy on Corporate Governance is concerned with the ethics, values and morals of the Company and its directors, who are expected to act in the best interests of the Company and remain accountable to shareholders and other beneficiaries for their action.

## (2) Board of directors:

(a) **Composition, category of directors, attendance of each director at the meeting of the board of directors and the last annual general meeting;**

| Sr.No | Names of Directors | Category | No. of Board meetings attended during the financial year 2015-16 | Attendance at the last AGM held on 30th September, 2015 |
|---|---|---|---|---|
| 1. | Mr. Kalpesh Shah | Chairman & Managing Director | 5 | Present |
| 2. | Mr. Sandeep Parikh | Independent Director | 5 | Present |
| 3. | Mr. Suketu Shah | Director | 5 | Present |
| 4. | Mr. Mayur Shah | Director | 5 | Present |
| 5. | Mr. Ashok Tanna | Independent Director | 5 | Present |
| 6. | Mr. Dilip Karelia | Independent Director | 5 | Present |
| 7. | Mrs. Janki Shah | Non-Executive Director | 5 | Present |

(b) **Number of other board of directors or committees in which a director is a member or chairperson**;

| Name of the Director | No. of Directorships | No. of Committee Memberships in Public Limited Companies | |
|---|---|---|---|
| | | Memberships | Chairmanships |
| Mr. Kalpesh Shah | 7 | NA | NA |
| Mr. Mayur Shah | 6 | NA | NA |
| Mr. Suketu Shah | 3 | NA | NA |
| Mr. Sandeep Parikh | 17 | NA | NA |
| Mr. Ashok Tanna | 5 | NA | NA |
| Mr. Dilip Karelia | 1 | NA | NA |
| Mrs. Janki Shah | Nil | NA | NA |

(i) Memberships/Chairmanships in the Audit Committees and Stakeholder's Relationship Committees are only considered.

(ii) Membership of Committees includes Chairmanship, if any excluding Subway Finance & Investment Co. Ltd.

(d) **Number of meetings of the Board of Directors held and dates on which held;**

Total 5 meetings held during the year

| Sr. No. | Date of meeting | Names of Directors as on the date of meeting | Directors Present |
|---|---|---|---|
| 1 | 30th May, 2015 | Mr. Kalpesh Shah<br>Mr. Sandeep Parikh<br>Mr. Suketu Shah<br>Mr. Mayur Shah<br>Mr. Ashok Tanna<br>Mr. Dilip Karelia<br>Mrs. Janki Shah | Mr. Kalpesh Shah<br>Mr. Sandeep Parikh<br>Mr. Suketu Shah<br>Mr. Mayur Shah<br>Mr. Ashok Tanna<br>Mr. Dilip Karelia<br>Mrs. Janki Shah |
| 2 | 12th August, 2015 | Mr. Kalpesh Shah<br>Mr. Sandeep Parikh<br>Mr. Suketu Shah<br>Mr. Mayur Shah<br>Mr. Ashok Tanna<br>Mr. Dilip Karelia<br>Mrs. Janki Shah | Mr. Kalpesh Shah<br>Mr. Sandeep Parikh<br>Mr. Suketu Shah<br>Mr. Mayur Shah<br>Mr. Ashok Tanna<br>Mr. Dilip Karelia<br>Mrs. Janki Shah |
| 3 | 14th November, 2015 | Mr. Kalpesh Shah<br>Mr. Sandeep Parikh<br>Mr. Suketu Shah<br>Mr. Mayur Shah<br>Mr. Ashok Tanna<br>Mr. Dilip Karelia<br>Mrs. Janki Shah | Mr. Kalpesh Shah<br>Mr. Sandeep Parikh<br>Mr. Suketu Shah<br>Mr. Mayur Shah<br>Mr. Ashok Tanna<br>Mr. Dilip Karelia<br>Mrs. Janki Shah |
| 4 | 12th February, 2016 | Mr. Kalpesh Shah<br>Mr. Sandeep Parikh<br>Mr. Suketu Shah<br>Mr. Mayur Shah<br>Mr. Ashok Tanna<br>Mr. Dilip Karelia<br>Mrs. Janki Shah | Mr. Kalpesh Shah<br>Mr. Sandeep Parikh<br>Mr. Suketu Shah<br>Mr. Mayur Shah<br>Mr. Ashok Tanna<br>Mr. Dilip Karelia<br>Mrs. Janki Shah |
| 5 | 24th March, 2016 | Mr. Kalpesh Shah<br>Mr. Sandeep Parikh<br>Mr. Suketu Shah<br>Mr. Mayur Shah<br>Mr. Ashok Tanna<br>Mr. Dilip Karelia<br>Mrs. Janki Shah | Mr. Kalpesh Shah<br>Mr. Sandeep Parikh<br>Mr. Suketu Shah<br>Mr. Mayur Shah<br>Mr. Ashok Tanna<br>Mr. Dilip Karelia<br>Mrs. Janki Shah |

(e) **Disclosure of relationships between Directors inter-se;**

*Not Applicable*

(f) **Number of shares and convertible instruments held by Non executive Directors:**

| Name of the Director | No of shares held | No. of convertible instruments held |
|---|---|---|
| **Mr. Sandeep Parikh** | 0 | _ |
| **Mr. Ashok Tanna** | 0 | _ |
| **Mr. Dilip Karelia** | 0 | _ |
| **Mrs. Janki Shah** | **8,270** | _ |

(g) **Web link where details of familiarisation programmes imparted to independent directors is disclosed:**

The Company disclosed familiarisation programmes imparted to independent database of information of interest to the investors including the financial results and Annual Reports of the Company, any information disclosed to the regulatory authorities from time to time, business activities and the services rendered extended by the Company to the investors, in a user friendly manner. The basic information about the Company as called for in terms of Regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements), Regulation, 2015 is provided on this website and the same is updated regularly.

The web link of the Company is www.subwayfinance.in

## (3) Audit committee:

The object of the Audit Committee is to monitor and effectively supervise the Company's financial reporting process with a view to provide accurate, timely and proper disclosure and oversee the integrity and quality of the financial reporting.

The Committee acts as a link between the Statutory Auditors and the Board of Directors of the Company.

(a) **Brief description of terms of reference**;

The terms of reference of the Audit Committee are wide enough to cover the matters specified for Audit Committees under Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements), Regulation, 2015 as well as in Section 177 of the Companies Act, 2013.

(b) **Composition, name of members and chairperson**;

| Sr No. | Composition | Members/ Chairperson |
|---|---|---|
| 1. | Mr. Sandeep Parikh | Chairperson |
| 2. | Mr. Ashok Tanna | Member |
| 3. | Mr. Dilip Karelia | Member |

(c) **Meetings and attendance during the year**.

Four meetings of the Audit Committee were held during the year. All the Directors were present in the meeting.

## (4) Nomination and Remuneration Committee:

The Company has duly constituted Nomination and Remuneration Committee consisting of three Non-Executive Director out of which more than half of them are Independent Director complying with the provision of Section 178 of the Companies Act, 2013 read with the rules made thereunder & Regulation 19 of SEBI (Listing Obligations and Disclosures Requirements), Regulations, 2015

(a) **brief description of terms of reference;**

1) To identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director.

2) To formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a Policy relating to the remuneration for the Directors, Key Managerial Personnel and Other Employees,

3) To formulate the criteria for evaluation of Independent Directors and the Board;

4) To devise a policy on Board diversity;

5) Any other matter as the NRC Committee may deem appropriate after approval of the Board of Directors or as may be directed by the Board of Directors from time to time.

(b) **Composition, name of members and chairperson**;

| **Sr. No**. | **Composition** | **Members/ Chairperson** |
|---|---|---|
| 1. | Mr. Sandeep Parikh | Chairperson |
| 2. | Mr. Ashok Tanna | Member |
| 3. | Mr. Dilip Karelia | Member |

(c) **Meeting and attendance during the year**;

One meeting of the Nomination and Remuneration Committee was held during the year.

All the members of the Committee were present at the meeting.

(d) **Performance evaluation criteria for independent directors** –

Pursuant to the provisions of the Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligations and Disclosures Requirements), Regulation, 2015 the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its various Committees. The evaluation exercise was carried out on various aspects of the Boards functioning such as composition of the Board & committees, experience & competencies, performance of the duties and obligations, governance issues, etc.

Separate exercise was carried out to evaluate the performance of individual Directors including the Chairman by the Nomination and Remuneration committee as per the structured mechanism who were evaluated on following parameters / criteria:

- Participation and contribution by a director,
- Commitment (including guidance provided to senior management outside of Board / Committee meetings),
- Effective deployment of knowledge and expertise,
- Effective management of relationship with stakeholders,
- Integrity and maintenance of confidentiality,
- Independence of behaviour and judgment,
- Observance of Code of Conduct, and
- Impact and influence.

## (5) Remuneration of Directors: No remuneration is being paid

| Remuneration of Director | Financial Year 2015-16 |
|---|---|
| NA | |

(a) **All pecuniary relationship or transactions of the Non-executive Directors' vis-à-vis the listed entity:**

The Non-executive Directors of the Company have no pecuniary relationship vis-à-vis the listed entity.

(b) **Criteria of making payments to Non-executive Directors:**

No payment is made to Non-Executive Directors

(c) **Disclosures with respect to remuneration:** No remuneration is being paid to Non-Executive Director

(i) **All elements of remuneration package of individual directors summarized under major groups, such as salary, benefits, bonuses, stock options, pension etc**;

Not Applicable

(ii) **Details of fixed component and performance linked incentives, along with the performance criteria**; Not Applicable

(iii) **Service contracts, notice period, severance fees**; Not Applicable

(iv) **Stock option details, if any and whether issued at a discount as well as the period over which accrued and over which exercisable**. Not Applicable

## (6) Stakeholders' grievance committee:

The Board has Stakeholders Relationship Committee for speedy disposal of Grievances/ complaints relating to Shareholders/investors transfer of shares, non-receipt of declared dividend, on-receipt of Balance sheet and Profit & loss Account etc.

The Company maintains continuous interaction with the Registrar and Transfer Agent of the Company (RTA) and takes proactive steps and actions for resolving complaints/queries of the shareholders/investors. The Committee oversees the performance of the RTA and recommends measures for overall improvement in the quality of investor services.

Mr. Mayur K. Shah has been appointed as the Compliance Officer.

(A) **Name of non-executive director heading the committee**; Mr. Dilip Karelia

(B) **Name and designation of compliance officer**; Mr. Mayur K Shah

(C) **Number of shareholders' complaints received so far**;

No complaints were received from the shareholders of the Company during the financial year 2015-2016.

(D) **Number not solved to the satisfaction of shareholders**;

Not applicable

(E) **Number of pending complaints:**

Not applicable

## (7) General body meetings:

The Annual General Meeting of the Company as per Section 96 of the Companies Act, 2013 for Financial Year 2014-15 was held on 30th September, 2015 11.00 a.m. at Vile Parle.

(a) **Location and time, where last three annual general meetings held;** Annual General Meeting for the last 3 financial year were held as under :-

| Location | Time | Financial Year |
|---|---|---|
| Eastern Court, B 101, 1st Floor, Junction of Tejpal & Parleshwar Road, Vile Parle Mumbai - 400057 | 11:00 | 2014-15<br>2013-14<br>And<br>2012-13 |

(b) **Whether any special resolutions passed in the previous three annual general meeting -** Yes

(c) **Whether any special resolution passed last year through postal ballot** – No

(d) **Person who conducted the postal ballot exercise**:

Not Applicable

(e) **Whether any special resolution is proposed to be conducted through postal ballot**; No

(f) **Procedure for postal ballot**. Not Applicable

## (8) Means of communication:

(a) **Quarterly results**; Quarterly results of the Company are intimated by publication in newspapers and submission to Bombay Stock Exchange as per Regulation 33 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015.

(b) **Newspapers wherein results normally published**:

The quarterly/half-yearly and annual results of the Company are published in (Financial Express) English daily newspaper and in (Apla Mahanagar) Marathi daily newspaper (where the Registered Office of the Company is situated).

(c) **Any website, where displayed**: www.subwayfinance.in

(d) **Whether it also displays official news releases:** Yes

(e) **Presentations made to institutional investors or to the analysts**: Nil

## (9) General shareholder information

(a) **Annual General Meeting**

The Annual General Meeting (AGM) for the financial year 2015-16 will be held on Friday 30th September, 2016 at 2.00 p.m. at the Registered office of the Company at Eastern Court, B 101, 1st Floor, Junction of Tejpal, Parleshwar Road, Vile Parle (E), Mumbai 400 057.

(b) **Financial Year:**

The Financial Year of the Company is from 1st day of April in a year till 31st day of March in the next succeeding year.

(c) **Dividend payment date**: Not Applicable

(d) **The name and address of each stock exchange(s) at which the listed entity's securities are listed and a confirmation about payment of annual listing fee to each of such stock exchange(s):**

Bombay Stock Exchange,

Phiroze Jeejeebhoy Towers,

Dalal Street, Mumbai- 400001

The Company hereby confirms the payment of annual listing fees to Stock Exchange.

(e) **Stock code**; 511024

(f) **Market price data- high, low during each month in last financial year;**

| | BSE Share Price | |
|---|---|---|
| **Month & Year** | ***Month's High* (Rs.)** | ***Month's Low* (Rs.)** |
| April, 2015 | 3.33 | 3.03 |
| May, 2015 | 3.86 | 3.39 |
| June, 2015 | 4.24 | 3.93 |
| July, 2015 | 4.83 | 4.32 |
| August, 2015 | 5.21 | 4.92 |
| September, 2015 | 5.62 | 5.31 |
| October, 2015 | 5.73 | 5.73 |
| November, 2015 | 6.18 | 5.84 |
| December, 2015 | 6.54 | 6.30 |
| January, 2016 | 7.06 | 6.67 |
| February, 2016 | 7.34 | 7.20 |
| March, 2016 | 7.48 | 7.48 |

(g) **Performance in comparison to broad-based indices such as BSE sensex, CRISIL Index etc-**Not Applicable

(h) **In case the securities are suspended from trading, the director's report shall explain the reason thereof:** Not applicable

(i) **Registrar to an issue and share transfer agents**: Sharex Dynamic (India) Pvt. Ltd

(j) **Share transfer system**;

The process of recording of share transfers, transmissions, etc., for shares held in electronic form is handled by Sharex Dynamic (India) Pvt. Ltd (RTA) and a report thereof is sent to the Company periodically and the Stakeholders' Relationship Committee of the Company takes note of the same at its meetings. In respect of shares held in physical form, the transfer documents are lodged with the RTA and after processing, the same are sent to the company and the Stakeholders' Relationship Committee conveys its approval to the Registrars, who dispatch the duly transferred share certificates to the shareholders concerned after complying with the applicable provisions. The average time taken for processing share transfer requests (in physical) including dispatch of share certificates is 15 days.

(k) **Distribution of shareholding**;

The Distribution of Shareholding is same as mentioned in MGT-9 in 'Annexure I' to the Board's Report.

(l) **Dematerialization of shares and liquidity**;

The Company has admitted its shares to the depository system of National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for dematerialization of shares. The International Securities Identification Number (ISIN) allotted to the Company is INE033F01012. The equity shares of the Company are compulsorily traded in dematerialized form as mandated by SEBI.

As on 31st March, 2016, status of the dematerialized and physical form of shares of the Company is as under:

| Shares held in | No. of Shares | Percentage (%) |
|---|---|---|
| Electronic Form with CDSL | 778964 | 70.65% |
| Electronic Form with NSDL | 53961 | 4.90% |
| Physical Form | 269,575 | 24.45% |
| **Total** | 1,102,500 | 100% |

(m) **Outstanding global depository receipts or American depository receipts or warrants or any convertible instruments, conversion date and likely impact on equity;**

*The Company does not have global depository receipts or American depository deposits.*

(n) **Commodity price risk or foreign exchange risk and hedging activities**;

*Not Applicable*

(p) **Address for correspondence**.

Mr. Kalpesh Shah

Managing Director

Eastern court, "B" Wing,
1st floor Junction Tejpal Road
and Parleshwar Road,
Vile Parle (E), Mumbai - 400 057.
Phone: 022 - 26165960
Email: subwayfinance.co@gmail.com

## (10) Other Disclosures:

(a) **Disclosures on materially significant related party transactions that may have potential conflict with the interests of listed entity at large;**

*Not Applicable*

(b) **details of non-compliance by the listed entity, penalties, strictures imposed on the listed entity by stock exchange(s) or the board or any statutory authority, on any matter related to capital markets, during the last three years**;

The Company has complied with all the requirements of the SEBI (Listing Obligations & Disclosure Requirements) Regulation, 2015 entered into with the Stock Exchanges as well as guidelines of SEBI. Since the date of listing of the company's shares on Bombay Stock Exchange there were no strictures or penalties imposed by either SEBI or the Stock Exchanges or any other statutory authority for non – compliance of any matter related to the capital markets.

(c) **Details of establishment of vigil mechanism, whistle blower policy and affirmation that no personnel has been denied access to the audit committee;**

The Company has established a vigil mechanism to enable Directors and employees to report genuine concerns and grievances about any incident of violation /potential violation of law or the Code of Conduct laid down by the Company. The mechanism lays down the overall framework and guidelines for reporting genuine

concerns. The details of this mechanism are given in the Corporate Governance Report which may be taken as forming part of this Report. These are also posted on the website of the Company.

(d) **Details of compliance with mandatory requirements and adoption of the non-mandatory requirements;**

The Company has complied with all the mandatory requirements of Regulation 27 of SEBI (Listing Obligations And Disclosures Requirements), Regulation, 2015. However, the Company is in process of adoption of Non-Mandatory Provisions of Regulation 27 of SEBI (Listing Obligations And Disclosures Requirements), Regulation, 2015.

(e) **Web link where policy for determining 'material' subsidiaries is disclosed;**

The Company does not have material subsidiaries. Hence no such policy has been adopted.

(f) **web link where policy on dealing with related party transactions;**

*Not Applicable*

(g) **Disclosure of commodity price risks and commodity hedging activities;**

*Not Applicable*

## (11) Non-compliance of any requirement of corporate governance report of sub-paras (2) to (10) above, with reasons thereof shall be disclosed;

*Not Applicable*

## (12) The corporate governance report shall also disclose the extent to which the discretionary requirements as specified in Part E of Schedule II have been adopted.

None of the matters enlisted in Part E of Schedule II of the SEBI (Listing Obligations And Disclosures Requirements), Regulation, 2015 has been adopted by the Company.

## (13) The disclosures of the compliance with corporate governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 shall be made in the section on corporate governance of the annual report.

The following are the Disclosures with respect to the Compliances from regulation 17 to 27

- Regulation 17 has been complied with.
- Regulation 18, 19 & with respect to committees have been complied with.
- Regulation 21 with respect to risk management committee is not applicable to the Company.
- Regulation 22 has been complied with.
- Regulation 23 has been complied with.
- Regulation 24 is not applicable to the Company.
- Regulation 25 has been complied with.
- Regulation 26 has been complied with.
- Regulation 27 is not applicable to the Company. However Company has complied with.
- Regulation 46(2) has been complied with.

**D. Declaration signed by the chief executive officer stating that the members of**

The Board of Directors and senior management personnel have affirmed compliance with the code of conduct of board of directors and senior management.

**E. Compliance certificate from either the auditors or practicing company secretaries regarding compliance of conditions of corporate governance shall be annexed with the directors' report.**

Compliance of revised Regulation 27 of SEBI (Listing Obligations And Disclosures Requirements), Regulations, 2015 is not mandatory for the Company. Hence, the Company has not obtained the CEO/CFO certification and Compliance Certificate on Corporate Governance as per the provisions of revised Regulation 27 of SEBI (Listing Obligations And Disclosures Requirements), Regulations, 2015

**F. Disclosures with respect to demat suspense account/ unclaimed suspense Account:**

*Not Applicable*

**(1) The listed entity shall disclose the following details in its annual report, as long as there are shares in the demat suspense account or unclaimed suspense account, as applicable**:

(a) **Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year**:

*Not Applicable*

(b) **number of shareholders who approached listed entity for transfer of shares from suspense account during the year;**

*Not Applicable*

(c) **number of shareholders to whom shares were transferred from suspense account during the year;**

*Not Applicable*

(d) **Aggregate number of shareholder and the outstanding shares in the suspense account lying at the end of the year;**

*Not Applicable*

(e) **that the voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares**;

*Not Applicable*

(f) **Risk Management System;**

The Company has structured a robust Risk Management Plan to identify and evaluate various business risks and opportunities. As per the plan, the Audit Committee / Board of Directors will be informed on quarterly basis about various risks identified by the Senior Management, the mitigation plan devised by them, progress on various plans / activities being implemented to mitigate the same and any other risks, newly identified with mitigation plan for them. The Board, upon review, will further guide the Senior Management aout risk identification and improvement in mitigation plans.

**For Subway Finance & Investment Co. Ltd.**
**Sd/-**
**Kalpesh Shah**
**Managing Director**
**DIN: 01227205**

**Address:** JVPD, Road No 12,
Mahalaxmi BLDG, 4th Floor,
Plot No S/6, Kapol Society,
Vile Parle (West), Mumbai-400056

**Date:** 13.06.2016

**Place:** Mumbai

# FORM NO. MR.3

## SECRETARIAL AUDIT REPORT

For The Financial Year Ended 31st March, 2016

[Pursuant to section 204(1) of the Companies Act, 2013 and rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,
Subway Finance & Investment Co. Ltd,
Eastern Court, B 101, 1st Floor,
Junction of Tejpal, Parleshwar Road,
Vile Parle (E), Mumbai – 400057

We have conducted the Secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Subway Finance & Investment Co. Ltd, (hereinafter called the "Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March,2016 ('Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2016 according to the provisions of:

(i) The Companies Act, 2013 (**the Act**) and the rules made there under;

(ii) The Securities Contracts (Regulation) Act, 1956 ('**SCRA'**) and the rules made there under;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings **(Not applicable to the Company during the Audit Period);**

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('**SEBI Act**') :-

a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011

b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992/ The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.

c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 **(Not Applicable during the audit period)**

d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 notified on 28th October, 2014 and its amendments notified on 18th September, 2015. **(Not Applicable during the audit period)**

e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **(Not Applicable during the audit period)**

f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client

g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(Not Applicable during the audit period)** and

h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 **(Not Applicable during the audit period)**

We have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India **(Notified with effect from 1st July, 2015).**

(ii) The Listing Agreements entered into by the Company with stock exchanges and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. except Company has not appointed Company Secretary in whole time employment of the Company which is required to be appointed as per Section 203 of the Companies Act, 2013 and rules made there under.

**We further report that**, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof on test check basis, the Company has complied with Reserve Bank of India Act, 1934 to the extent of provisions applicable to Non-Banking Financial Companies and Regulations made there under which are specifically applicable to the Company.

**We further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings and agenda items were sent in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out either unanimously or majority as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

**We further report that** there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**For Makarand M. Joshi & Co.,**

**Sd/-**
**Makarand Joshi**
**Partner**
FCS No. 5533
CP No. 3662
Place: Mumbai
Date: 13th June, 2016

# BALANCE SHEET AS AT 31ST MARCH, 2016

| Particulars | Note No. | Current Year Amount (₹) | Current Year Amount (₹) | Previous Year Amount (₹) |
|---|---|---|---|---|
| **EQUITY & LIABILITIES** | | | | |
| **Shareholders Funds** | | | | |
| Share Capital | 2 | 11,025,000 | | 11,025,000 |
| Reserves and Surplus | 3 | 4,711,648 | | 5,647,737 |
| | | | 15,736,648 | 16,672,737 |
| **Non Current Liabilities** | | | | |
| Deferred Tax Liabilitites (Net) | 4 | | - | - |
| **Current Liabilities** | | | | |
| Short Term Borrowings | 5 | 1,698,729 | | |
| Trade Payables | 6 | - | | - |
| Other Current Liabilities | 7 | 825,008 | | 1,616,126 |
| Short Term Provisions | 8 | 54,931 | | 88,847 |
| | | | 2,578,668 | 1,704,973 |
| **TOTAL** | | | **18,315,316** | **18,377,710** |
| **ASSETS :** | | | | |
| **Non Current Assets** | | | | |
| Fixed Assets | 9 | | | |
| -Tangible Assets | | - | | - |
| Long Term Loan and Advances | 10 | 18,310,400 | | 18,370,035 |
| Other Non Current Assets | | - | | - |
| | | | 18,310,400 | 18,370,035 |
| **Current Assets** | | | | |
| Cash and Cash Equivalents | 11 | 4,916 | | 7,675 |
| Other current Assets | 12 | - | | |
| | | | 4,916 | 7,675 |
| **TOTAL** | | | **18,315,316** | **18,377,710** |
| **Significant Accounting Policies** | 1 | | | |
| **Notes on Financial Statements** | 2 to 21 | | | |

**AS PER OUR REPORT OF EVEN DATE**
**For Priya Choudhary & Associates**
**Chartered Accountants**
**Firm Reg.No. 011506C**

Sd/-
**Sarvesh Golecha**
**Partner**
**Membership No. 424350**

**Place: Mumbai**
**Date : 13th June, 2016.**

**For and on behalf of the Board of Directors**

Sd/-
**Kalpesh Shah**
(Managing Director)

Sd/-
**Suketu Shah**
(Director)

## STATEMENT OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2016

| Particulars | Note No. | Current Year Amount (₹) | Previous Year Amount (₹) |
|---|---|---|---|
| Revenue from Operation | 13 | (202,800) | 1,706,201 |
| Other Income | | - | - |
| | | **(202,800)** | **1,706,201** |
| **Expenditure** | | | |
| Employee Benefits Expenses | 14 | - | 23,250 |
| Finance Cost | 15 | - | - |
| Depreciation And Amortised Expenses | 8 | - | - |
| Other Expenses | 16 | 733,289 | 712,237 |
| | | **733,289** | **735,487** |
| Profit / (Loss) before Exceptional and Extraordinary Items and Tax | | **(936,089)** | **970,714** |
| Exceptional Items | | **-** | **-** |
| **Profit / (Loss) before Extraordinary Items and Tax** | | **(936,089)** | **970,714** |
| Extraordinary Items | | **-** | **-** |
| **Profit / (Loss) before Tax** | | **(936,089)** | **970,714** |
| Tax Expenses | | | |
| - Current Tax | | - | 186,228 |
| - Deferred Tax | | - | - |
| - Prior Period Tax Adjustments | | | |
| **Profit / (Loss) for the period from Continuing Operations** | | (936,089) | 784,486 |
| **Profit / (Loss) for the period from Discontinuing Operations (After Tax)** | | - | - |
| **Profit / (Loss) for the period** | | (936,089) | 784,486 |
| Earning per share( Basic and Diluted) (Refer Note No. 23) | | **(0.85)** | **0.71** |
| **Significant Accounting Policies** | 1 | | |
| **Notes on Financial Statements** | 2 to 21 | | |

**AS PER OUR REPORT OF EVEN DATE**
**For Priya Choudhary & Associates**
**Chartered Accountants**
**Firm Reg.No. 011506C**

Sd/-
**Sarvesh Golecha**
**Partner**
**Membership No. 424350**

**Place: Mumbai**
**Date : 13th June, 2016.**

**For and on behalf of the Board of Directors**

Sd/-
**Kalpesh Shah**
(Managing Director)

Sd/-
**Suketu Shah**
(Director)

# STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31,2016

| Particulars | | Current Year Amount (₹) | Previous Year Amount (₹) |
|---|---|---|---|
| **A) Cash flow from operating activities** | | | |
| Net profit before tax & extraordinary items | | (936,089) | 970,714 |
| Adjustment for | | | |
| Depreciation | | - | - |
| Dividend Income | | - | - |
| Increase/(Decrease) in Provision | | (33,916) | (16,262) |
| Profit on Sale of Fixed Assets | | - | - |
| Operating Profit before working capital changes | | (970,005) | 954,452 |
| Adjustment for working capital Changes | | | |
| (Increase)/Decrease in Trade Receivables | | | - |
| (Increase)/Decrease in Inventories | | - | - |
| (Increase)/Decrease in Short term Loans and Advance | | | - |
| (Increase)/Decrease in Other Current Assets | | - | - |
| Increase/(Decrease) in Short Term Borrowings | | 1,698,729 | |
| Increase/(Decrease) in Trade and Other Payable | | (791,118) | 773,526 |
| Cash generated from Operations | | **(62,394)** | **1,727,978** |
| Direct taxes | | | - |
| Deferred Tax | | - | (186,228) |
| Prior Period Tax Adjustments | | - | - |
| Cash flow before extraordinary items | | **(62,394)** | **1,727,978** |
| Extraordinary items | | - | - |
| Cash flow from operating activities | (A) | **(62,394)** | **1,541,750** |
| **B. Cash flow from Investing activities** | | | |
| Purchase of Fixed Assets | | - | - |
| Sales of Fixed Assets | | - | - |
| Purchase of Investments-Long Term | | - | - |
| Purchase of Investments-Short Term | | - | - |
| (Increase)/Decrease in Long Term Loans & Advances | | 59,635 | (1,561,336) |
| Dividend Income | | - | - |
| Sale of Investment | | - | - |
| Net cash used in Investment activities | (B) | **59,635** | **(1,561,336)** |
| **C. Cash flow from Financing activities** | | | |
| Increase/(Decrease) in Long Term Borrowings (Net of Repayment) | | - | - |
| Increase/(Decrease) in Short Term Borrowings (Net) | | - | - |
| Proceeds from issue of Share Capital | | - | - |
| Dividend Paid (Net) | | - | - |
| Net cash used in financing activities | (C) | **-** | **-** |
| Net increase / decrease in cash and cash equivalents | (A+B+C) | **(2,759)** | **(19,586)** |
| Cash & cash equivalents as at 01.04.2015 (opening balance ) cash in hand & balance with banks | | 7,675 | 27,261 |
| Cash & cash equivalents as at 31.03.2016 (closing balance ) cash in hand & balance with banks | | **4,916** 4,916 | **7,675** 7,675 |

Note: Figures in brackets represent outflows

**AS PER OUR REPORT OF EVEN DATE**

**For Priya Choudhary & Associates**
**Chartered Accountants**
**Firm Reg.No. 011506C**

**Sd/-**
**Sarvesh Golecha**
**Partner**
**Membership No. 424350**
**Place: Mumbai**
**Date : 13th June, 2016.**

**For and on behalf of the Board of Directors**

**Sd/-**
**Kalpesh Shah**
(Managing Director)

Sd/-
**Suketu Shah**
(Director)

# NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH, 2016

## NOTE NO : 1

### SIGNIFICATION ACCOUNTING POLICES

### A. Basis of preparation of Accounts

The financial statements are prepared on accrual basis, following the historical cost convention in accordance with the Generally Accepted Accounting Principles (GAAP) which are consistently adopted by the Company, and in compliance with the Accounting Standard issued by the Institute of Chartered Accountants of India and provisions of the Companies Act 2013, to the extent applicable.

### B. Use of Estimates

The presentation of financial statements in conformity with the Generally Accepted Accounting Principles requires estimates and assumptions to be made that affect the reported amount of assets and liabilities and disclosure of contingent liabilities on the date of the financial statements. Any differences between the actual results and the estimates are recognized in the period in which the results are known / materialized.

### C. Fixed Assets

Fixed Assets are stated at cost of acquisition including expenses incidental to their acquisition less accumulated depreciation & impairment.

### D. Depreciation

Depreciation on Fixed Assets is provided on the Written Down Value Method, at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 2013. Depriciation for the current year is NIL

### E. Revenue Recognition

Revenue is recognized to the extent it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.

### F. Foreign Exchange Transaction

Transaction in foreign currency is recorded at the original rate of exchange in force at the time of transaction were effected. Current assets & liabilities balances in foreign currencies at the balance sheet date are restated at the year end exchange rates and the resultant net gain or loss adjusted in the revenue account.

### G. Inventories

Stock in trade is valued at cost or net realizable value whichever is lower

### H. Employee Benefits

01. Short-term employee benefits are recognized as an expense at the undiscounted amount in the profit and loss account of the year in which the related service is rendered.

02. Post employment and other long term employee benefits are recognised as an expense in the profit and loss account for the year in which the employee has rendered services. The expense is recognised at the present value of the amount payable determined using actuarial valuation techniques. Actuarial gains and loss in respect of post employment and other long term benefits are charged to the profit and loss account.

## I. Retirement Benefits

Company has policy of making provision for retirement benefits as and when the liability arises.

## J. Impairment Of Assets

An asset is treated as impaired when the carrying cost of the asset exceeds its recoverable value. An impairment loss is charged to the profit and loss account in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

## K. Derivate Instruments :

Derivate financial instruments are recorded at fair value on the date of the derivative transaction and are re measured at their fair value at subsequent balalnce sheet date. Changes in the fair value of derivativees are recorded in the Profit & loss account.

## L. Provision for Current and Deferred Tax.

Provision for current tax is made after taking into consideration benfits admissable under the provisions of the Income tax Act,1961. Deferred tax resulting from “time differences” between taxable and accounting income is accounting income is accounted for using the tax rates and laws that are enacted or substantively enacted as on balance sheet date. The effect of deferred tax asset & liabilities of a charge in tax rates is recognised in the profit & loss account in the year of change.

# NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH, 2016

| Particulars | Current Year Amount (₹) | Previous Year Amount (₹) |
|---|---|---|
| **NOTE NO. 2 - SHARE CAPITAL** | | |
| (a) **Authorised** | | |
| 11,50,000 Equity Shares of Rs.10/- each | 11,500,000 | 11,500,000 |
| (Previous Year 11,50,000) | | |
| (b) **Issued,Subscribed and paid up** | | |
| 11,02,500 Equity Shares of Rs.10/- Each (Fully Paid up) | 11,025,000 | 11,025,000 |
| (Previous Year 11,02,500) | | |
| | **11,025,000** | **11,025,000** |

(c) **Reconciliation of number of shares outstanding at the beginning and at the end of the reporting Period.**

| | Current Year No. of Shares | Previous Year No. of Shares |
|---|---|---|
| Equity Shares at the beginning of the year | 1,102,500 | 1,102,500 |
| Add: Issue of Shares during the year | - | - |
| No. of Shares at the end of the year | 1,102,500 | 1,102,500 |

(d) **Details of Shareholder Holding More than 5 %**

| | Current Year | | Previous Year | |
|---|---|---|---|---|
| **Equity Shares Held by** | **No. of Shares** | **% of Holding** | **No. of Shares** | **% of Holding** |
| Suketu Bhogilal Shah | 74,420 | 6.75% | 74,420 | 6.75% |
| Nitin Kantilal Shah | 74,420 | 6.75% | 74,420 | 6.75% |
| Harshad Kantilal Shah | 74,420 | 6.75% | 74,420 | 6.75% |
| Mayur Kantilal Shah | 74,420 | 6.75% | 74,420 | 6.75% |
| Rahul Kantilal Shah | 74,420 | 6.75% | 74,420 | 6.75% |
| Kalpesh Kanubhai Shah | 74,420 | 6.75% | 74,420 | 6.75% |

| | | | | |
|---|---|---|---|---|
| **NOTE NO. 3 - RESERVE AND SURPLUS** | | | | |
| (a) **General Reserve** | | | | |
| Balance as per last Balance Sheet | | 925,000 | | 925,000 |
| Add: Transfer from Profit & Loss | | - | | - |
| | | | 925,000 | 925,000 |
| (b) **Reserve u/s 45IC of RBI, 1934** | | | | |
| Balance as per last Balance Sheet | | 3,269,365 | | 3,112,468 |
| Add: Transfer from Profit & Loss | | 0.00 | | 156,897 |
| | | | 3,269,365 | 3,269,365 |

# NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH, 2016

| | | | | |
|---|---|---|---|---|
| (c) | **Profit & Loss Account** | | | |
| | Balance as per last Balance Sheet | 1,453,372 | | 825,783 |
| | Add: Profit & Loss during the Year | | (936,089) | 784,486 |
| | Less: Transfer to Reserve account | | - | 156,897 |
| | | | 517,283 | 1,453,372 |
| | **Total** | | **4,711,648** | **5,647,737** |

| Particulars | Current Year Amount (₹) | Previous Year Amount (₹) |
|---|---|---|
| **NOTE NO. 4 - DEFERRED TAX LIABILITIES (NET)** | | |
| **Deferred Tax Liabilities** | | |
| **(i) Fixed Assets:** | | |
| (Impact of difference between tax depreciation and depreciation charged for financial reporting) | - | - |
| **(ii) Others timing differences** | - | - |
| **Total** | - | - |
| **Deferred Tax Assets** | | |
| **(i) Any disallowance under Income Tax Act / Others** | - | - |
| **Total** | - | - |
| **Net Deferred Tax Liabilities** | - | - |
| **NOTE NO. 5 - Short Term Borrowings** | | |
| Loans and Advances from Related Parties | | - |
| Secured | - | - |
| Unsecured | 1,698,729 | - |
| | | - |
| | **1,698,729** | **-** |

**NOTE NO. 6 - TRADE PAYABLE**

The Company does not have in its records any intimation from suppliers regarding their status under Micro, Small and Medium Enterprises Development Act.,2006 and hence disclosure, if any relating to amounts unpaid at the year and together with interest paid /payable as required under the said Act have not been furnished.

# NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH, 2016

**NOTE NO. 7 - OTHER CURRENT LIABILITIES**

| | | | |
|---|---|---|---|
| Creditors For Expenses | | 798,899 | 1,605,002 |
| Others-Duties and Taxes | | | |
| TDS Payable | 26,109 | | |
| | | 26,109 | 11,124 |
| | | **825,008** | **1,616,126** |

**NOTE NO. 8 - SHORT TERM PROVISIONS**

| | | | |
|---|---|---|---|
| Provisions for Income Tax (NET) | | | |
| Provision for income tax for current year | - | - | 42,922 |
| Tds Receivable | - | - | |
| Contingent Provisions against Standard Assets | | 54,931 | 45,925 |
| | | **54,931** | **88,847** |

| Particulars | | | Current Year Amount (₹) | Previous Year Amount (₹) |
|---|---|---|---|---|
| **NOTE NO. 10 - LONG TERM LOANS & ADVANCES** | | | | |
| **(a)** | **(i)** | Advance recoverable in cash or in kind for value to to be received (Unsecured & Considered Good) | | |
| | | -Related Parties | - | |
| | | -Others | 18,310,400 | 18,370,035 |
| | | | 18,310,400 | 18,370,035 |
| | | | **18,310,400** | **18,370,035** |
| **NOTE NO. 10 - LONG TERM LOANS & ADVANCES** | | | | |
| | (a) | Income Tax Paid | - | - |
| | | | **-** | **-** |
| **NOTE NO. 11 - CASH AND CASH EQUIVALENTS** | | | | |
| | (a) | Cash on hand | 1,265 | 1,405 |
| | (b) | Balance with Banks | 3,651 | 6,270 |
| | | | **4,916** | **7,675** |

# NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH, 2016

| | | |
|---|---|---|
| **NOTE NO.13 REVENUE FROM OPERATIONS** | | |
| Revenue from Operations | (202,800) | 1,706,201 |
| Other i*ncome* | - | - |
| | - | - |
| | **(202,800)** | **1,706,201** |
| **NOTE NO.14 EMPLOYEE BENEFIT EXPENSES** | | |
| Salary & Wages | - | 23,250 |
| **NOTE NO. 15 - FINANCE COSTS** | | |
| Interest Expenses | - | - |
| | **-** | **-** |
| **NOTE NO. 16 - OTHER EXPENSES** | | |
| **(a) ADMINISTRATIVE AND GENERAL EXPENSES** | | |
| Advertisement | 48,048 | 48,936 |
| Payment to Auditors | | |
| - Audit Fees | 114,000 | 112,360 |
| Annual Listing,Custody Fees & E-Voting Expenses | 264,514 | 235,956 |
| Bank Charges | 15,402 | 18,118 |
| Office and General Expenses | - | 46,313 |
| Printing and Stationary Charges | - | 16,184 |
| Website Development Charges | - | 25,000 |
| Donation and Contribution | - | - |
| Miscellaneous Expenses | 191 | 6,538 |
| Interest on Income Tax Paid | 23,073 | 6,792 |
| Share Transfer Fees | 93,643 | 92,430 |
| Professional Charges | 165,412 | 95,507 |
| Provision for Standard Assets | 9,006 | 3,903 |
| ROC Filing Fees | - | 4,200 |
| **TOTAL** | **733,289** | **712,237** |

# NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH, 2016

**NOTE NO. 15- Related Party Disclosure : (As identified by Management)**

*List of Related Parties*

01. Key Management Personal

Kalpesh Shah (Managing Director)

Suketu Shah (Additional Director)

Mayur Shah (Additional Director)

Ashok Tanna (Additional Director)

Amulakh Mehta (Director)

Jayesh Mehta (Director)

Dilip Karelia (Additional Director)

**a. Disclosure of Related party Transactions between the Company and related parties for the year ended March 31,2016**

| Particulars | As At 31 March 2016 (Amount in ₹) | As At 31 March 2015 (Amount in ₹) |
|---|---|---|
| **01. Amount Received** | | |
| Harshad K Shah | 200,000 | - |
| Kalpesh K Shah | 18,100 | - |
| Mayur K Shah | 140,000 | - |
| Suketu B. Shah | 230,000 | - |
| Shah and Mehta Associates | 50,000 | |

**NOTE NO. 16 Director's Remuneration**

No remuneration has been paid to any of the directors.

**NOTE NO. 17 Foreign Currency Transactions**

There is no income or expenditure in foreign currency during the year.

**NOTE NO. 18**

Company has policy of making provision for retirement benfits as and when the liability arises.

# NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH, 2016

**NOTE NO. 19 EARNING PER SHARE**

| Particulars | As At 31 March 2016 (Amount in ₹) | As At 31 March 2015 (Amount in ₹) |
|---|---|---|
| Net Profit / (Loss) After Tax available for Equity Share Holders | -936,089 | 784,486 |
| Weighted Average Number of Equity Shares of ₹ 10/- each outstanding during the year | 1,102,500 | 1,102,500 |
| Basic / Diluted Earning Per Share ₹ | **(0.85)** | **0.71** |

**NOTE NO. 21**

a. Figures are rounded off to nearest rupees.

b. In the opinion of the Management current assets, advances are approximately of the value stated if realized in the ordinary course of business except otherwise stated.

c. Previous year figures have been regrouped or rearranged wherever necessary.

**AS PER OUR REPORT OF EVEN DATE**

**For Priya Choudhary & Associates**
**Chartered Accountants**
**Firm Reg.No. 011506C**

**Sd/-**
**Sarvesh Golecha**
**Partner**
**Membership No. 424350**

**Place: Mumbai**
**Date : 13th June, 2016.**

**For and on behalf of the Board of Directors**

Sd/-
**Kalpesh Shah**
(Managing Director)

Sd/-
**Suketu Shah**
(Director)

## Disclosures of details as required by Revised Para 13 of Non Baning Financial Companies Prudential Norms (Reserve Bank) Directions, 2007, earlier Para 9BB of Non Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 1998.

**₹ In Lakhs**

### LIABILITIES SIDE

| | Particulars | Amount Outstanding | Amount Overdue |
|---|---|---|---|
| 1 | Loans and Advances availed by the NBFCs inclusive of Interest accrued thereon but not paid | 0.00 | 0.00 |
| | a. Debentures | 0.00 | 0.00 |
| | Secured | 0.00 | 0.00 |
| | Unsecured (other than falling within the meaning of Public Deposits) | 0.00 | 0.00 |
| | b. Deferred Credits | 0.00 | 0.00 |
| | c. Term Loans | 0.00 | 0.00 |
| | d. Inter-corporate loans and borrowing | 0.00 | 0.00 |
| | e. Commercial Paper | 0.00 | 0.00 |
| | f. Other Unsecured Loans from Related Parties | 16.98 | 0.00 |
| | **Total** | **16.98** | **0.00** |

### ASSET SIDE

| | | Amount Outstanding |
|---|---|---|
| 2 | Break up of Loans and Advances including bills receivables (other than those included in [4] below): | |
| | a. Secured | 0.00 |
| | b. Unsecured | 183.10 |
| | **Total** | **183.10** |
| 3 | Break up of Leased Assets and stock on hire and other assets counting towards AFC activities | |
| | (i) Lease assets including lease rentals under sundry debtors: | |
| | a. Financial Lease | 0.00 |
| | b. Operating Lease | 0.00 |
| | (ii) Stock on hire including hire charges under sundry debtors: | |
| | a. Assets on hire | 0.00 |
| | b. Repossessed Assets | 0.00 |
| | (iii) Other loans counting towards AFC activities: | |
| | a. Loans where assets have been repossessed | 0.00 |
| | b. Loans other than (a) above | 0.00 |
| | **Total** | **0.00** |

## 4 Break-up of Investments:

Current Investments:

| | |
|---|---|
| 1. Quoted: | |
| (i) Shares: | |
| a. Equity | 0.00 |
| b. Preference | 0.00 |
| (ii) Debentures and Bonds | 0.00 |
| (iii) Units of Mutual Funds | 0.00 |
| (iv) Government Securities | 0.00 |
| (v) Others | 0.00 |
| **Total** | **0.00** |

2. Unquoted:

| | |
|---|---|
| (i) Shares: | |
| a. Equity | 0.00 |
| b. Preference | 0.00 |
| (ii) Debentures and Bonds | 0.00 |
| (iii) Units of Mutual Funds | 0.00 |
| (iv) Government Securities | 0.00 |
| (v) Others | 0.00 |
| **Total** | **0.00** |

Long Term Investments:

1. Quoted:

| | |
|---|---|
| (i) Shares: | |
| a. Equity | 0.00 |
| b. Preference | 0.00 |
| (ii) Debentures and Bonds | 0.00 |
| (iii) Units of Mutual Funds | 0.00 |
| (iv) Government Securities | 0.00 |
| (v) Others | 0.00 |
| **Total** | **0.00** |

2. Unquoted:

| | |
|---|---|
| (i) Shares: | |
| a. Equity | 0.00 |
| b. Preference | 0.00 |
| (ii) Debentures and Bonds | 0.00 |
| (iii) Units of Mutual Funds | 0.00 |
| (iv) Government Securities | 0.00 |
| (v) Others | 0.00 |
| **Total** | **0.00** |

5 **Borrower group-wise classification of assets financed as in (2) and (3) above:**

| **Category** | **Amount net of provisions** | | |
|---|---|---|---|
| | **Secured** | **Unsecured** | **Total** |
| 1. Related Parties | | | |
| a. Subsidiaries | 0.00 | 0.00 | 0.00 |
| b. Companies in the same group | 0.00 | 0.00 | 0.00 |
| c. Other related parties | 0.00 | 0.00 | 0.00 |
| 2. Other than related parties | 0.00 | 183.10 | 183.10 |
| **Total** | **0.00** | **183.10** | **183.10** |

6

| **Investor group-wise classification of all investments (current and long term) in shares and securites (both quoted and unquoted):** | **Market Value / Break up of fair value or NAV** | **Book Value (Net of Provisions)** |
|---|---|---|
| Category | | |
| 1. Related Parties | | |
| a. Subsidiaries | 0.00 | 0.00 |
| b. Companies in the same group | 0.00 | 0.00 |
| c. Other related parties | 0.00 | 0.00 |
| 2. Other than related parties | 0.00 | 0.00 |
| **Total** | **0.00** | **0.00** |

| 7 | **Other Information** | **Amount** |
|---|---|---|
| (i) | Gross Non-performing Assets | |
| | a. Related parties | 0.00 |
| | b. Other than related parties | 0.00 |
| (ii) | Net Non-performing Assets | |
| | a. Related parties | 0.00 |
| | b. Other than related parties | 0.00 |
| (iii) | Assets acquired in satisfaction of debt | 0.00 |

**For Priya Choudhary & Associates**
**Chartered Accountants**
**Firm Reg.No. 011506C**

Sd/-
**Sarvesh Golecha**
**Partner**
**Membership No. 424350**
**Place: Mumbai**
**Date : 13th June, 2016.**

**For and on behalf of the Board of Directors**

Sd/-
**Kalpesh Shah**
(Managing Director)

Sd/-
**Suketu Shah**
(Director)

# CALCULATION OF NET OWNED FUNDS AS ON 31ST MARCH 2016

| S No | Particulars | Amount |
|---|---|---|
| **A.** | Equity capital | 11025000 |
| | Free Reserves (Securities Premium, General Reserves and P&L A/c and excluding Transfer to Statutory Reserve as required under RBI Act) | 4,711,648 |
| | Loans which shall be converted into Equity | |
| | **Total** | 15,736,648.00 |
| **B.** | less:- | |
| | Accumulated Balance of Loss | |
| | Deferred Revenue Expenditure | |
| | Other intangible assets | |
| | **Balance** | |
| | | |
| **C.** | less:- | |
| | Investments in shares of subsidiaries, Other Companies in same group and other NBFC (to the extent such amount exceeds 10% of (A) | |
| | Investments in shares of subsidiaries | |
| | Investments in shares of Other Companies in same group | |
| | Investments in shares of other NBFC | |
| | Book value of debentures, bonds, outstanding loans & advances made to, and deposits with subsidiaries and Companies in same group (to the extent such amount exceeds 10% of (A)) | |
| | Loans & Advances -Subsidiaries | |
| | Loans & Advances -Other Companies in same group | |
| | **Total** | |
| | 10% of A | |
| | Excess after deducting 10% of A | |
| | **Net Owned Funds as on 31st March 2015** | **15,736,648** |

# COURIER / REGISTERED POST

***If undelivered, please return to :***

**The Secretarial Department**

## SUBWAY FINANCE & INVESTMENT CO. LTD

**REGISTERED OFFICE**
Eastern Court, B 101, 1st Floor,
Junction of Tejpal & Parleshwar Road,
Vile Parle, Mumbai – 400 057