

ANNUAL REPORT  
OF  
POWERHOUSE GYM & WELLNESS  
LIMITED  
2015-2016

“We are driven by the vision to implement growth initiatives with speed and surety leading to growth in revenues and in the profits.”





## Cautionary statement

*In this Annual Report we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements - written and oral - that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward looking statements will be realized, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialize, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.*





**a**

**strong**

**track**

**record**





## Our Strategy

Powerhouse Gym's strategy is to continue our strong track record of opening and operating high quality, low cost gyms and deliver profitable growth and strong returns on capital. The key elements of the strategy

### An attractive membership proposition

- Flexible membership options
  - 24/7 access
  - No fixed term contract
  - Transparent, low pricing
- High quality gym experience
  - Wide range of high specification equipment
  - Well lit, safe, clean and well maintained facilities
  - Professional, helpful staff
- Easy online joining and member management process

### Driven by technology

- Online services enhance the member experience
- Automated access control and 24 hour CCTV enhances safety and reduces staff costs
- Comprehensive data drives better commercial decisions
- Electronic monitoring of gym equipment usage means fit-outs are tailored to member requirements



CORPORATE INFORMATION

NOTICE

DIRECTORS REPORT

MANAGEMENT DISCUSSION AND ANALYSIS

REPORT ON CORPORATE GOVERNANCE

FINANCIAL OVERVIEW

FEEDBACK





## POWERHOUSE GYM & WELLNESS LIMITED

(Formerly Known as Powerhouse Fitness & Realty Limited)

101, Swati Building, North Avenue Road, Behind Kotak Mahindra Bank, Near Arayan Samaj, Santacruz (West) MUMBAI  
Mumbai City MH 400054 IN

CIN: L85190MH2013PLC240311, EMAIL ID: akshat.gupta1987@googlemail.com

To,

The Members,

Your Directors have pleasure in presenting their 3<sup>RD</sup> Annual Report on the business and operations of the Company and the accounts for the Financial Year ended March 31, 2016.

### 1. Financial summary or highlights/Performance of the Company (Standalone)

The Board's Report shall be prepared based on the stand alone financial statements of the company.

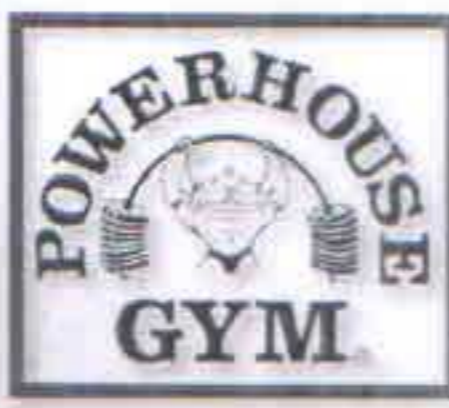
Particulars	2015-2016	2014-2015
Gross Profit	14,60,839	16,93,189
Net Profit Before Tax	14,60,839	16,93,189
Provision for Tax	42,73,644	8,26,492
Net Profit After Tax	(28,12,805)	8,66,697
Balance of Profit brought forward	8,66,697	8,29,371

### 2. Brief description of the Company's working during the year/State of Company's affair

The Company is involved in the gymming business in India, committing itself in making India Healthy and Fit. Its USP providing world class gymming experience, facilitated by the professional trainers. Your Company provides the diverse fitness services apart from the standard gymming and fitness solutions like Zumba Programme, Spa, Massage, Aerobics, Yoga, Physiotherapy and many more.







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### **3. Change in the nature of business, if any**

There is no Change in the nature of Business.

The company got Listed on SME IPO Platform on 21<sup>st</sup> October, 2014.

### **4. Dividend**

Due inadequate profit the Company has not declared dividend.

### **5. Share Capital**

The Company allotted 24,00,000 equity shares of Rs.20 each at premium on 18<sup>th</sup> October, 2014.

No change in the Share Capital of the Company.

### **6. Directors and Key Managerial Personnel**

Mr. Ankush Gupta (DIN: 02265108) and Mr. Akshat Gupta (DIN: 02265121) Directors retire by rotation at the forthcoming Annual General Meeting and being eligible, offer themselves for reappointment.

Mr. Ankush Gupta (DIN: 02265108) was appointed as Whole-time director of the Company for a period of three years w.e.f. June 18<sup>th</sup>, 2014 to 17<sup>th</sup> June, 2017 on a remuneration of ₹. 11,50,000/- (Rupees Eleven Lac Fifty Only).

Mr. Akshat Gupta (DIN: 02265121) was appointed as Managing Director of the Company for a period of three years w.e.f. June 18<sup>th</sup>, 2014 to 17<sup>th</sup> June, 2017 on a monthly remuneration of ₹. 11,50,000/- (Rupees Eleven Lac Fifty Only).

Mr. VISHNU PRATAP DHANMAN DWIVEDI (DIN: 02090054), Mr. Priyank Shishir Nevatia (DIN: 06902330) and Ms. Shreya Suday Bagayatkari (DIN: 06902343) was appointed as Independent Director of the Company for a period of Five years w.e.f. June 18<sup>th</sup>, 2014 to 17<sup>th</sup> June, 2019

As per the provisions of the Companies Act, 2013, Independent Directors are required to be appointed for a term of five consecutive years, but shall be eligible for reappointment on passing of a special resolution by the Company and shall not be liable to retire by rotation. All other Directors, except the Managing Director, will retire at the ensuing Annual General Meeting and, being eligible, offer themselves for re-election. The Independent







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Directors of your Company have given the certificate of independence to your Company stating that they meet the criteria of independence as mentioned under Section 149 (6) of the Companies Act, 2013.

Mr. Ankush Gupta who was appointed as Compliance Officer of the Company.

Also, Mr. Ankush Gupta (DIN: 02265108) and Ms. Shrishti Deora has been appointed as Chief Executive Officer, Chief Financial Officer with effect from June 18<sup>th</sup>, 2014 and June 23<sup>rd</sup>, 2014 respectively.

### **7. Report On Corporate Governance**

As per SEBI's Circular No.-CIR/CFD/Policy Cell/7/2014 dated 15th September 2014, the provisions of Clause 49 of the Listing Agreement are not mandatory, hence no such report is required for the Company.

### **8. Particulars of Employees**

As required under the provision of Section 197 of the Companies Act, 2013, read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 in respect of employees of the Company is not given, as there were no employees drawing remuneration beyond the prescribed limit under the above referred provisions.

### **9. Board Evaluation**

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit, Nomination & Remuneration and Compliance Committees. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

### **10. Remuneration Policy**

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration. The Remuneration Policy is stated in the Corporate Governance Report.

#### **Managerial Remuneration:**

A) Details of the ratio of the remuneration of each director to the median employee's remuneration and other details as required pursuant to Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. **(Annexure III)**

B) Details of the every employee of the Company as required pursuant to 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.







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C) Any director who is in receipt of any commission from the company and who is a Managing Director or Whole-time Director of the Company shall receive any remuneration or commission from any Holding Company or Subsidiary Company of such Company subject to its disclosure by the Company in the Board's Report.

D) The following disclosures shall be mentioned in the Board of Director's report under the heading "Corporate Governance", if any, attached to the financial statement:—

(i) All elements of remuneration package such as salary, benefits, bonuses, stock options, pension, etc., of all the directors;

(ii) Details of fixed component and performance linked incentives along with the performance criteria;

(iii) Service contracts, notice period, severance fees;

(iv) Stock option details, if any, and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable.

### **11. Auditors:**

M/s. Jain Anil & Associates, Chartered Accountants (Firm Registration No. 115987W), the retiring Statutory Auditors of the Company be and are hereby appointed as Auditors of the Company, to hold office from the conclusion of this Annual General Meeting ("AGM"), until the conclusion of the fifth consecutive AGM of the Company to be held in the year 2020 (subject to ratification of their appointment by the Members at every AGM held after this AGM), at a remuneration to be determined by the Board of Directors of the Company, as Auditor and for other professional services rendered by them as may be mutually agreed between the Company and the Auditor along with reimbursement of travelling and other out of pocket expenses as may be incurred by them during the course of the Audit.

### **AUDITORS' REPORT**

The Auditors' Report does not contain any qualification. Notes to Accounts and Auditors remarks in their report are self-explanatory and do not call for any further comments

### **12. Secretarial Audit Report**

In terms of Section 204 of the Act and Rules made there under **M/s Rohit Singhi & Co.**, Practicing Company Secretary have been appointed Secretarial Auditors of the Company. The report of the Secretarial Auditors is enclosed as **Form No. MR-3** to this report. The report is self-explanatory and do not call for any further comments.







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### **13. Internal Audit & Controls**

The Company continues to engage M/s Sudhir Kedia & Co. As its Internal Auditor. During the year, the Company continued to implement their suggestions and recommendations to improve the control environment. Their scope of work includes review of processes for safeguarding the assets of the Company, review of operational efficiency, effectiveness of systems and processes, and assessing the internal control strengths in all areas. Internal Auditors findings are discussed with the process owners and suitable corrective actions taken as per the directions of Audit Committee on an ongoing basis to improve efficiency in operations.

### **14. Policy:**

During the year the Company Formulated and Adopted Codes under Sebi (Prohibition Of Insider Trading) Regulations, 2016, Whistle Blower Policy/ Vigil Mechanism, Risk Management Policy and also formulated and adopted Code of Independent directors and Code of for Board and Senior Management.

#### **1 Board of Directors:**

Category	No. Of directors
Non-Executive & Independent Directors including the Chairman	3
Other Non-Executive Directors	1
Executive Director (CEO & Managing Director)	1
Total	5







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The Chairman of the Board is an Executive Director.

As required under Section 149(3) of the Companies Act, 2013, & Clause 49(II) (A) (1) of Listing Agreement, Mrs. Shreya Suday Bagayatkar (DIN: 06902343), a Woman Director, has been appointed as an Independent Director on the Board.

Other Relevant details of Directors:

Name of Director	Date of Appointment	Category	No. Of Directorship(s) held in Indian public & private Limited Companies	Committee(s) position	
				Member	Chairman
Mr. ANKUSH GUPTA (DIN:02265108)	08/02/2013	Whole-Time Director/ CEO	6	3	3
Mr. AKSHAT GUPTA (DIN: 02265121)	08/02/2013	Managing director	4	1	2
MR. VISHNU PRATAP DHANMAN DWIVEDI (DIN: 02090054)	18/06/2014	Independent Director	1	-	-
MR. PRIYANK SHISHIR NEVATIA (DIN: 06902330)	18/06/2014	Independent Director	-	-	-
MRS. SHREYA SUDAY BAGAYATKAR (DIN: 06902343)	18/06/2014	Independent Director	-	-	-







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### Board Meetings held during the year

<u>Dates on which the Board Meetings were held</u>	<u>Total Strength of the Board</u>	<u>No. Of Directors Present</u>
14 <sup>th</sup> May, 2015	5	5
24 <sup>th</sup> August, 2015	5	5
09 <sup>th</sup> November, 2015	5	5
14 <sup>th</sup> November, 2015	5	5
23 <sup>rd</sup> January, 2016	5	5
29 <sup>th</sup> March, 2016	5	5

Name of Director	Attendance at the Board Meetings held on						Attendance at the AGM held on 30 <sup>th</sup> September 15'
	14/05/2015	24/08/2015	09/011/2015	14/11/2015	23/01/2016	29/03/2016	
Mr. ANKUSH GUPTA (DIN:02265108)	P	P	P	P	P	P	P
Mr. AKSHAT GUPTA(DIN: 02265121)	P	P	P	P	P	P	P
MR. PRIYANK SHISHIR NEVATIA(DIN: 06902330)	P	P	P	P	P	P	P
MR. VISHNU PRATAP DHANMAN DWIVEDI (DIN: 02090054)	P	P	P	P	P	P	P
MRS. SHREYA SUDAY BAGAYATKAR(DIN:	P	P	P	P	P	P	P







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### COMMITTEES OF THE BOARD.

#### (a) Audit Committee (mandatory committee)

The composition of the Audit Committee as at March 31, 2016 and details of the Members participation at the Meetings of the Committee are as under:

Name of Director	Category	Attendance at the Board Meetings held on					
		14/05/2015	14/11/2015	29/03/2016	-	-	-
Mr. Priyank Nevatia	Non-executive and Independent	P	P	P	-	-	=
Ms. Shreya Bagayatkar	Non-executive and Independent	P	P	P	-	-	=
Mr. Ankush Gupta	Executive and Non-Independent	P	P	P	-	-	=

The Committee is governed by a Charter which is in line with the regulatory requirements mandated by the Companies Act, 2013 and Clause 49 of the Listing Agreement. Some of the important functions performed by the Committee are:







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### **(b) Remuneration Committee**

The composition of the Remuneration Committee as at March 31, 2016 and details of the Members participation at the Meetings of the Committee are as under:

Name of Director	Category	Attendance at the Board Meetings held on					
		14/05/2015	14/11/2015	29/03/2016	-	-	-
Mr. Priyank Nevatia	Non-executive and Independent	P	P	P	-	-	-
Ms. Shreya Bagayatkar	Non-executive and Independent	P	P	P	-	-	-
Mr. Vishnu Pratap Dwivedi	Non-executive and Non-Independent	P	P	P	-	-	-

### **(d) Stakeholders' Relationship Committee (mandatory committee)**

In compliance with the provisions of Section 178 of the Companies Act, 2013 and the Listing Agreement, the Board has renamed the existing "Shareholders'/Investors' Grievance Committee" as the "Stakeholders' Relationship Committee".







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The terms of reference of the Committee are:

Name of Director	Category	Attendance at the Board Meetings held on					
		14/05/2015	14/11/2015	29/03/2016			
Mr. Priyank Nevatia	Non-executive and Independent	P	P	P			
Mr. Vishnu Pratap Dwivedi	Non-executive and Independent	P	P	P			
Mr. Akshat Gupta	Executive Director	P	P	P			

During the year, no complaints were received from shareholders. The balance complaints were under various stages of investigation. As on March 31, 2016, no investor grievance has remained unattended/ pending for more than thirty days.

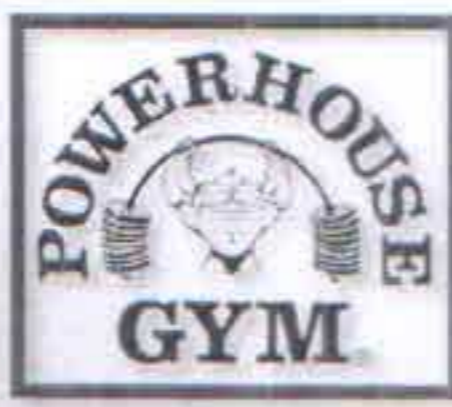
### Independent Directors' Meeting

During the year under review, the Independent Directors met on March 31, 2016, inter alia, to discuss:

- Evaluation of the performance of Non-independent Directors and the Board of Directors as a whole.
- Evaluation of the performance of the chairman of the Company, taking into account the views of the Executive and Non-executive directors.
- Evaluation of the quality, content and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.







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### TERMS OF APPOINTMENT & REMUNERATION - CEO & MD

Mr. Akshat Gupta (DIN: 02265121)

Period of Appointment	3 years w.e.f. May 07, 2014 to May 06, 2017
Salary Grade	11,50,000/-
Allowances	-
Perquisites	-
Retrial Benefits	-
Performance Bonus	-
Sign-on Amount	-
Deferred Bonus	-
Minimum Remuneration	-
Notice Period & Severance Fees	-
Other	-

### 15. Extract of annual return:

As required pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of annual return in **MGT 9** as a part of this Annual Report as **ANNEXURE I**.







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### 16. General Body Meetings

Particulars of last three Annual general meetings :

AGM	Year ended 31st March,	Venue	Date	Time	Special Resolutions Passed
1st	2014	At the Registered Office	07/08/2014	11.00 a.m.	-
2nd	2015	At the Registered Office	30/09/2015	11.00 a.m.	-

### 17. Extraordinary General Meeting (EGM)

One Extraordinary General Meeting held during the Financial Year 2015-2016

18. During the year under review, no resolution has been passed through the exercise of postal ballot.

### E-Voting Facility to members

Exempt as the Company is SME Listed.

### 19. Material changes and commitments, if any, affecting the financial position of the company which have occurred between the end of the financial year of the company to which the financial statements relate and the date of the report

No Material changes occurred subsequent to the close of the financial year of the Company to which the balance sheet relates and the date of the report like settlement of tax liabilities, operation of patent rights, depression in market value of investments, institution of cases by or against the company, sale or purchase of capital assets or destruction of any assets etc.







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### **20. Details in respect of adequacy of internal financial controls with reference to the Financial Statements.**

The internal financial controls with reference to the Financial Statements are commensurate with the size and nature of business of the Company.

### **21. Deposits**

The details relating to deposits, covered under Chapter V of the Act,-

(a) accepted during the year- NIL

(b) remained unpaid or unclaimed as at the end of the year-NIL

(c) whether there has been any default in repayment of deposits or payment of interest thereon during the year and if so, number of such cases and the total amount involved-NIL

### **22. Particulars of contracts or arrangements with related parties:**

The particulars of every 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 including certain arm's length transactions under third proviso thereto shall be disclosed in Form No. AOC-2. As **Annexure II** to the Board Report..

### **23. STATUTORY DISCLOSURES**

In terms of the provisions of Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 as amended, the names and other particulars of the employees are set out in the annexure to the Directors' Report. However, as per the provisions of Section 219 (b) (iv) of the said Act read with Clause 32 of the Listing Agreement, the Annual Report excluding the aforesaid information is being sent to all the members of the Company and others entitled thereto. Any member interested in obtaining such particulars may write to the Company at the registered office of the Company.

### **24. Conservation of energy, technology absorption and foreign exchange earnings and outgo**

The details of conservation of energy, technology absorption, foreign exchange earnings and outgo are as follows:

#### a) Conservation of energy

(i)	the steps taken or impact on conservation of energy	NIL
(ii)	the steps taken by the company for utilizing alternate sources of energy	NIL
(iii)	the capital investment on energy conservation equipment's	NIL







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### (b) Technology absorption

(i)	the efforts made towards technology absorption	NIL
(ii)	the benefits derived like product improvement, cost reduction, product development or import substitution	NIL
(iii)	in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-	NIL
	(a) the details of technology imported	NIL
	(b) the year of import;	NIL
	(c) whether the technology been fully absorbed	NIL
	(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof	NIL
(iv)	the expenditure incurred on Research and Development	NIL

### 25. Human Resources

Your Company treats its "human resources" as one of its most important assets.

Your Company continuously invest in attraction, retention and development of talent on an ongoing basis. A number of programs that provide focused people attention are currently underway. Your Company thrust is on the promotion of talent internally through job rotation and job enlargement.

### 26. Directors' Responsibility Statement

The Directors' Responsibility Statement referred to in clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013, shall state that—

(a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

(b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;

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

(d) the directors had prepared the annual accounts on a going concern basis; and







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(e) the directors, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.

(f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### 27. LISTING WITH STOCK EXCHANGES:

The Company got Listed on 21<sup>st</sup> October, 2014 on SME Platform of BSE. The Company confirms that it has paid the Annual Listing Fees for the year 2016-2017 to BSE where the Company's Shares are listed.

### 28. Acknowledgements

An acknowledgement to all with whose help, cooperation and hard work the Company is able to achieve the results.

For and on behalf of the Board of Directors of

Powerhouse Gym & Wellness Limited



Mr. Akshat Gupta  
Whole-Time Director  
(DIN: 02265121)

Mr. Ankush Gupta  
Managing Director  
(DIN: 02265108)

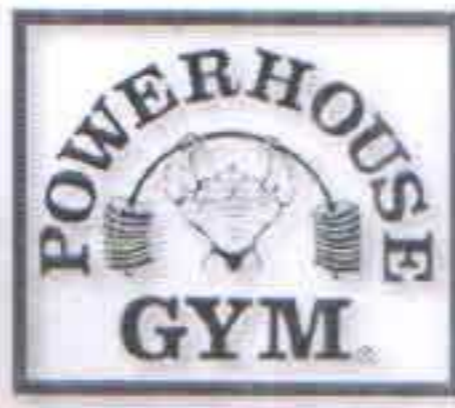
#### Registered Office:

101, Swati Building, North Avenue  
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(PLACE): Mumbai

(DATE): September 05th, 2016





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### ANNEXURE INDEX

<u>Annexure</u>	<u>Content</u>
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<u>III</u>	Particulars of Employee
<u>IV</u>	MR-3 Secretarial Audit Report





## POWERHOUSE GYM & WELLNESS LIMITED

(Formerly Known as Powerhouse Fitness & Realty Limited)

101, Swati Building, North Avenue Road, Behind Kotak Mahindra Bank, Near Arayan Samaj, Santacruz (West) MUMBAI  
Mumbai City MH 400054 IN

CIN: L85190MH2013PLC240311, EMAIL ID: akshat.gupta1987@googlemail.com

### Annexure I

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2016

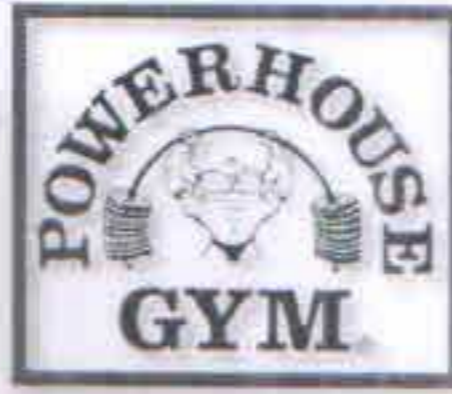
Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

#### I. REGISTRATION & OTHER DETAILS:

1.	CIN	U85190MH2013PLC240311
2.	Registration Date	08/02/2013
3.	Name of the Company	Powerhouse Gym & Wellness Limited
4.	Category/Sub-category of the Company	Public Company
5.	Address of the Registered office & contact details	101, Swati Building, North Avenue Road, Behind Kotak Mahindra Bank, Near Arayan Samaj, Santacruz (West) MUMBAI Mumbai City MH 400054 IN
6.	Whether listed company	SME Listed
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Bigshare Services Pvt Ltd ,E-2, Ansa Industrial Estate, Sakhivihar Road, Sakinaka, Andheri (East) ,Mumbai, Maharashtra, 400072







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### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Health and Fitness Services and Gymming Business	Group -932 Class-9329, Sub Class-93290	100%

### VI. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

#### Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2015]				No. of Shares held at the end of the year [As on 31-March-2016]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
(1) Indian									
a) Individual/HUF	0	4500000	4500000	100.00	4500000	0	4500000	65.22	34.78
b) Central Govt	0	0	0	0	0	0	0	0	0
c) State Govt(s)	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	0	0	0	0	0	0	0	0	0
<b>Total shareholding of Promoter</b>									





<b>B. Public Shareholding</b>									
1. Institutions	0	0	0	0	0	0	0	0	0
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 Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIs	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
<b>Sub-total (B)(1):-</b>	0	0	0	0	0	0	0	0	0
<b>2. Non-Institutions</b>									
a) Bodies Corp.	0	0	0	0	392000	0	392000	5.68	5.68
i) Indian	0	0	0	0	0	0	0	0	0
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals	0	0	0	0	0	0	0	0	0
i) Individual shareholders holding nominal share capital up to Rs. 1 lakh	0	0	0	0	528000	0	528000	7.65	7.65
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	0	0	0	0	1480000	0	1480000	21.45	21.45
c) Others (specify)									
Non Resident Indians	0	0	0	0	0	0	0	0	0
Overseas Corporate Bodies	0	0	0	0	0	0	0	0	0
Foreign Nationals	0	0	0	0	0	0	0	0	0
Clearing	0	0	0	0	0	0	0	0	0





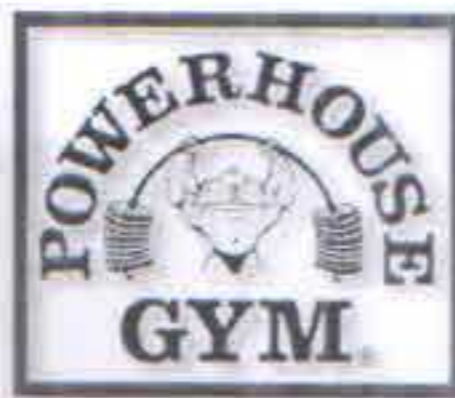
Members									
Trusts	0	0	0	0	0	0	0	0	0
Hindu Undivided Family	0	0	0	0	0	0	0	0	0
Foreign Bodies - D R					0	0	0	0	
<b>Sub-total (B)(2):-</b>	0	0	0	0	2400000	0	2400000	34.78	34.78
Total Public Shareholding (B)=(B)(1)+(B)(2)	0	0	0	0	2400000	0	2400000	34.78	34.78
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	0	0	0	00	0	0	0	00	0
<b>Grand Total (A+B+C)</b>	0	4500000	4500000	100.00	6900000	0	6900000	100.00	0

B) Shareholding of Promoter-

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding 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	Ankush Ashok Gupta	12,49,000	18.10	0	12,49,000	18.10	0	0
2	Akshat Ashok Gupta	12,49,000	18.10	0	12,49,000	18.10	0	0
3	Sushma Ashok Gupta	8,00,000	11.59	0	8,00,000	11.59	0	0
4	Ashok Kumar Gupta	4,00,000	5.80	0	4,00,000	5.80	0	0
5	Ashok Gupta	4,00,000	5.80	0	4,00,000	5.80	0	0
6	Shrishti Suresh Deora	2,01,000	2.91	0	2,01,000	2.91	0	0
7	Neha K Gandhi	2,01,000	2.91	0	2,01,000	2.91	0	0







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### C) Change in Promoters' Shareholding (please specify, if there is no change)

SN	Particulars	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 beginning of the year	4500000	65.22	4500000	65.22
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.):	0	0.00	0	0.00
	At the end of the year	4500000	65.22	4500000	65.22

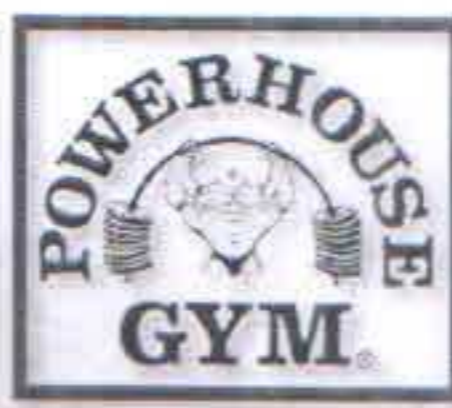
### D) Shareholding Pattern of top 100 Shareholders:

(Other than Directors, Promoters and Holders of GDRs and ADRs):

SN	For Each of the Top 100 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 beginning of the year	1728000	25.0435	1728000	25.0435
	Date wise Increase / Decrease in Other than Directors, Promoters and Holders of GDRs and ADRs Shareholding during the year.	4000	0.058	4000	0.058







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### E) Shareholding of Directors and Key Managerial Personnel:

SN	Shareholding of each Directors and each Key Managerial Personnel	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 beginning of the year	2699000	39.12	2699000	39.12
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	-	-	-	-
	At the end of the year	2699000	39.12	2699000	39.12

### F) INDEBTEDNESS -Indebtedness of the Company including interest outstanding/accrued but not due for payment.

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	68,59,114	10,00,000		
ii) Interest due but not paid	-	-		
iii) Interest accrued but not due	-	-		
Total (i+ii+iii)	68,59,114	10,00,000		78, 59,114
Change in Indebtedness during the financial year	-	-		





Net Change	-	-		
Indebtedness at the end of the financial year				
i) Principal Amount	68,59,114	10,00,000		
ii) Interest due but not paid	-	-		
iii) Interest accrued but not due	-	-		
Total (i+ii+iii)	68,59,114	10,00,000		78, 59,114

## XI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

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

SN.	Particulars of Remuneration	Name of Managing Director and Whole Time Director		Total Amount
		Mr. Ankush Gupta Whole -Time Director	Mr. Akshat Gupta Managing director	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	11,50,000/-	11,50,000/-	23,00,000/-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	NIL
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	NIL
2	Stock Option	-	-	NIL
3	Sweat Equity	-	-	NIL
4	Commission - as % of profit - others, specify...	-	-	NIL
5	Others, please specify	-	-	NIL
	Total (A)	-	-	23,00,000/-
	Ceiling as per the Act			







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### B. Remuneration to other directors

SN.	Particulars of Remuneration	Name of Directors			Total Amount
1	<b>Independent Directors (Non-Executive Directors)</b>	VISHNU PRATAP DHANMAN DWIVEDI	PRIYANK SHISHIR NEVATIA	SHREYA SUDAY BAGAYATKAR	-
	Fee for attending board committee meetings	10,000	10,000	10,000	30,000
	Commission	0	0	0	0
	Others, please specify	0	0	0	0
	<b>Total</b>	<b>10,000</b>	<b>10,000</b>	<b>10,000</b>	<b>30,000</b>

### C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN

MD/MANAGER/WTD

SN	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO	Total
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	Mr. Ankush Gupta designated as CEO in addition Whole-Time Director of the Company		Ms. Shrishti Deora designated as CFO of the Company	
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961				
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961				
2	Stock Option				
3	Sweat Equity				
4	Commission				
	- as % of profit				
	others, specify...				
5	Others, please specify				





**XII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

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)
<b>A. COMPANY</b>					
Penalty	N. A.	N. A.	N. A.	N. A.	N. A.
Punishment	N. A.	N. A.	N. A.	N. A.	N. A.
Compounding	N. A.	N. A.	N. A.	N. A.	N. A.
<b>B. DIRECTORS</b>					
Penalty	N. A.	N. A.	N. A.	N. A.	N. A.
Punishment	N. A.	N. A.	N. A.	N. A.	N. A.
Compounding	N. A.	N. A.	N. A.	N. A.	N. A.
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	N. A.	N. A.	N. A.	N. A.	N. A.
Punishment	N. A.	N. A.	N. A.	N. A.	N. A.
Compounding	N. A.	N. A.	N. A.	N. A.	N. A.

For and on behalf of the Board of Directors of

**Powerhouse Gym & Wellness Limited**



*[Handwritten signature]*

**Mr. Akshat Gupta**  
Managing Director  
(DIN: 02265121)

*[Handwritten signature]*

**Mr. Ankush Gupta**  
Whole-Time Director  
(DIN: 02265108)





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### Annexure - II

### FORM NO. AOC -2

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto.

#### 1. Details of contracts or arrangements or transactions not at Arm's length basis: **Disclosures AS-18**

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	
b)	Nature of contracts/arrangements/transaction	
c)	Duration of the contracts/arrangements/transaction	
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	
e)	Justification for entering into such contracts or arrangements or transactions'	
f)	Date of approval by the Board	
g)	Amount paid as advances, if any	
h)	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	

#### 2. Details of contracts or arrangements or transactions at Arm's length basis: **NIL**

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	





	contracts/arrangements/transaction	
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	
e)	Date of approval by the Board	
f)	Amount paid as advances, if any	

For and on behalf of the Board of Directors of  
Powerhouse Gym & Wellness Limited



A handwritten signature in blue ink, appearing to read "Akshat Gupta".

Mr. Akshat Gupta  
Managing Director  
(DIN: 02265121)

A handwritten signature in blue ink, appearing to read "Ankush Gupta".

Mr. Ankush Gupta  
Whole-Time Director  
(DIN: 02265108)







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### Annexure - III

#### MANAGERIAL REMUNERATION

A) Details of the ratio of the remuneration of each director to the median employee's remuneration and other details as required pursuant to Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

S. No.	Name of Director/KMP and Designation	Remuneration of Director/KMP for financial year 2015-16 (in Rs.)	% increase in Remuneration in the financial year 2015-16	Ratio of remuneration of each Director/to median remuneration of employees	Comparison of the Remuneration of the KMP against the performance of the Company
1	Mr Ankush Gupta (Whole-Time Director & CEO)	11,50,000/-	0.00%	4.5	Not Applicable
2	Mr. Akshat Gupta (Managing Director)	11,50,000	0.00%	4.5	Not Applicable



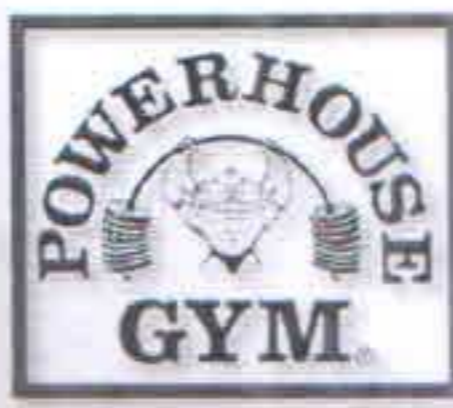


Notes:

- All appointments are / were non-contractual
- Remuneration as shown above comprises of Salary, Leave Salary, Bonus, Gratuity where paid, Leave Travel Assistance, Medical Benefit, House Rent Allowance, Perquisites and Company's Contribution to Provident Fund and Superannuation Fund. Remuneration on Cash basis
- None of the above employees is related to any Director of the Company employed for part of the financial year.







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### MANAGEMENT DISCUSSION AND ANALYSIS REPORT

#### ❖ FORWARD-LOOKING STATEMENTS

This report contains forward-looking statements based on certain assumptions and expectations of future events. The Company, therefore, cannot guarantee that these assumptions and expectations are accurate or will be realised. The Company's actual results, performance or achievements can thus differ materially from those projected in any such forward-looking statements. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent developments, information or events.

#### ❖ INDUSTRY STRUCTURE AND DEVELOPMENTS

The Company is involved in the gymming business in India, committing itself in making India Healthy and Fit. Its USP providing world class gymming experience, facilitated by the professional trainers. Your Company provides the diverse fitness services apart from the standard gymming and fitness solutions like Zumba Programme, Spa, Massage, Aerobics, Yoga, Physiotherapy and many more.

#### ❖ MARKETING

The Company is setting up a good marketing team to enter to increased turnover.

#### ❖ SWOT

Our strength is our determination and team work, weakness is the low equity base, opportunities are multiples and threats are the vibrations in the economy and government policies.

#### ❖ INTERNAL CONTROL

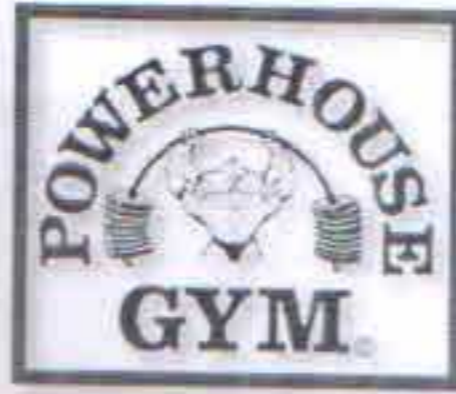
The Company has adequate internal control system, commensurate with the size of its operations. Adequate records and documents are maintained as required by laws. The Company's audit Committee reviewed the internal control system. All efforts are being made to make the internal control systems more effective.

#### ❖ SEGMENT WISE REPORTING

During the year under review, Company has achieved all sales through Cargo Handling only.







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### ❖ OUTLOOK

### ❖ MATERIAL DEVELOPMENTS IN HUMAN RESOURCES/INDUSTRIAL RELATIONS FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED

### ❖ DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE.

### ❖ RISKS AND CONCERNS

In any business, risks and prospects are inseparable. As a responsible management, the Company's principal endeavour is to maximize returns. The Company continues to take all steps necessary to minimise its expenses through detailed studies and interaction with experts.

### ❖ CAUTIONARY STATEMENT

Statement in this Management's Discussion and Analysis detailing the Company's objectives, projections, estimates, estimates, expectations or predictions are "forward-looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include global and Indian demand-supply conditions, finished goods prices, feedstock availability and prices, cyclical demand and pricing in the Company's principal markets, changes in Government regulations, tax regimes, economic developments within India and the countries within which the Company conducts business and other factors such as litigation and labour negotiations.







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### CERTIFICATION BY CEO/CFO UNDER CLAUSE 49 V OF THE LISTING AGREEMENT

The Board of Directors,

**Powerhouse Gym & Wellness Limited**  
101, Swati Building, North Avenue Road,  
Behind Kotak Mahindra Bank,  
Near Arayan Samaj, Santacruz (West)  
MUMBAI MH 400054 IN

We have reviewed the financial statements and the cash flow statement of Powerhouse Gym & Wellness Limited for the year ended March 31, 2016 and to the best of our knowledge and belief:

- (a) (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take for rectifying these deficiencies.







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(d) We have indicated to the Auditors and the Audit Committee:

(i) significant changes in internal control over financial reporting during the year;

(ii) significant changes in accounting policies made during the year and the same have been disclosed in the notes to the financial statements; and

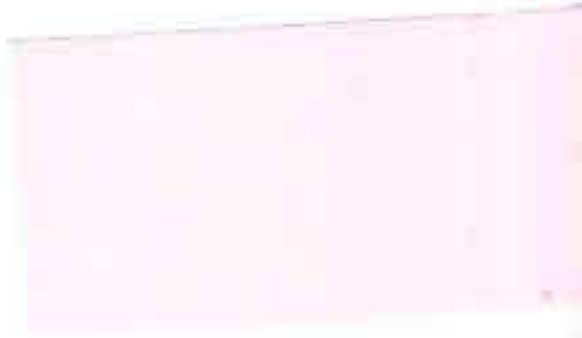
(iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

**Mr. Ankush Gupta**  
Chief Executive Officer



Date: September 05th, 2016

Place: Mumbai







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### NOTES

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member. Proxies in order to be effective must be received by the company not later than forty eight (48) hours before the meeting. Proxies submitted on behalf of limited companies, societies, etc., must be supported by appropriate resolutions/authority, as applicable.

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. A person can act as a proxy on behalf of Members not exceeding fifty in number and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A Member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as a proxy and such person shall not act as proxy for any other person or shareholder.
3. Members are requested to bring their attendance slips duly completed and signed mentioning therein details of their DP ID and Client ID/ Folio No.
4. 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.
5. Relevant documents referred to in the accompanying Notice and in the Explanatory Statements are open for inspection by the Members at the Company's Registered Office on all working days of the Company, during business hours up to the date of the Meeting.
6. Corporate Members intending to send their authorized representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company, a certified copy of the relevant Board Resolution together with their respective specimen signatures authorizing their representative(s) to attend and vote on their behalf at the Meeting.
7. Members seeking any information with regard to the Accounts are requested to write to the Company at an early date, so as to enable the Management to keep the information ready at the meeting.

The members are requested to get their shares dematerialized. The company's ISIN Code **INE982Q01017** pursuant to change in face value.







## POWERHOUSE GYM & WELLNESS LIMITED

(Formerly Known as Powerhouse Fitness & Realty Limited)

101, Swati Building, North Avenue Road, Behind Kotak Mahindra Bank, Near Arayan Samaj, Santacruz (West) MUMBAI

Mumbai City MH 400054 IN

CIN: L85190MH2013PLC240311, EMAIL ID: [akshat.gupta1987@googlemail.com](mailto:akshat.gupta1987@googlemail.com)

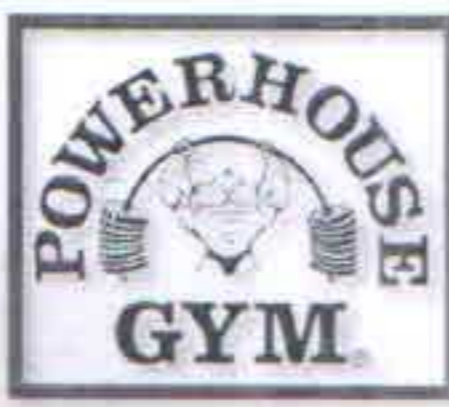
### ANNEXURE TO ITEMS 2 AND 3 OF THE NOTICE

Details of Directors seeking re-appointment at the forthcoming Annual General Meeting (in pursuance of Clause 49 of the Listing Agreement)

Name of the Director	Mr. Akshat Gupta	Mr. Ankush Gupta
Director Identification Number (DIN)	02265121	02265108
Date of Birth	24/09/1987	05/08/1984
Nationality	Indian	Indian
Date of Appointment on Board	08/02/2013	08/02/2013
Qualification	BSC - Management & Marketing from University of Manchester	Master of Information Systems Management from Carnegie Mellon University, Pittsburgh
Shareholding	18.10%	18.10%
List of Directorships held in other Companies (excluding foreign, private and Section 8 Companies)	4	6
Memberships / Chairmanships of Audit and Stakeholders' Relationship Committees across Public Companies	2	2







## POWERHOUSE GYM & WELLNESS LIMITED

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101, Swati Building, North Avenue Road, Behind Kotak Mahindra Bank, Near Arayan Samaj, Santacruz (West) MUMBAI

Mumbai City MH 400054 IN

CIN: L85190MH2013PLC240311, EMAIL ID: akshat.gupta1987@googlemail.com

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]

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 company. Hereby appoint

Name :	E-mail Id:
Address:	
Signature , or failing him	

Name :	E-mail Id:
Address:	
Signature , or failing him	

Name :	E-mail Id:
Address:	
Signature , or failing him	

as my/ our proxy to attend and vote( on a poll) for me/us and on my/our behalf at the \_\_\_\_\_ Annual General Meeting / Extra-Ordinary General Meeting of the company, to be held on the \_\_\_ day of \_\_\_ at \_\_\_ a.m. / p.m. at \_\_\_\_\_ (place) and at any adjournment thereof in respect of such resolutions as are indicated below:





## POWERHOUSE GYM & WELLNESS LIMITED

(Formerly Known as Powerhouse Fitness & Realty Limited)

101, Swati Building, North Avenue Road, Behind Kotak Mahindra Bank, Near Arayan Samaj, Santacruz (West) MUMBAI

Mumbai City MH 400054 IN

CIN: L85190MH2013PLC240311, EMAIL ID: akshat.gupta1987@googlemail.com

### Resolution No.

Sl. No.	Resolution(S)	Vote	
		For	Against
1.	Adoption of statement of Profit & Loss, Balance Sheet, report of Director's and Auditor's for the financial year 31st March, 2016		
2.	Re-appointment of M/s. Jain Anil & Associates, Chartered Accountants as Statutory Auditors & fixing their remuneration		
3.	Re-appointment of Mr. <b>Mr. Akshat Gupta (DIN: 02265121)</b> as Managing Director and <b>Mr. Ankush Gupta (DIN: 02265108)</b> as Whole Time Director for a period of three years		

\* Applicable for investors holding shares in Electronic form.

Affix Revenue  
Stamps

Signed this \_\_\_ day of \_\_\_ 20\_\_

Signature of Shareholder

Signature of Proxy holder

Signature of the shareholder

across Revenue Stamp

Note:

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) The proxy need not be a member of the company



**LETTER HEAD**

**ATTENDANCE SLIP**

(To be handed over at the entrance of the meeting hall)

**Annual General Meeting on 30/09/2016**

Full name of the members attending \_\_\_\_\_

(In block capitals)

Ledger Folio No./Client ID No. \_\_\_\_\_ No. of shares held: \_\_\_\_\_

Name of Proxy \_\_\_\_\_

(To be filled in, if the proxy attends instead of the member)

I hereby record my presence at the Annual General Meeting of the Powerhouse Gym & Wellness Limited., Address, on Wednesday, the 30<sup>th</sup> Sep'16

(Member's /Proxy's Signature)

**Note:**

- 1) Members are requested to bring their copies of the Annual Report to the meeting, since further copies will not be available.
- 2) The Proxy, to be effective should be deposited at the Registered Office of the Company not less than FORTY EIGHT HOURS before the commencement of the meeting.
- 3) A Proxy need not be a member of the Company.
- 4) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by Proxy, shall be accepted to the exclusion of the vote of the other joint holders. Seniority shall be determined by the order in which the names stand in the Register of Members.
- 5) The submission by a member of this form of proxy will not preclude such member from attending in person and voting at the meeting.



Form No MR-3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31.03.2016

[Pursuant to Section 204(1) of the Companies Act, 2013 and Ruse No. 09 of the Companies  
(Appointment and Remuneration Personnel) Rules, 2014]

To,  
The Members,  
POWERHOUSE GYM & WELLNESS LIMITED  
101,SWATI BUILDING,  
NORTH AVENUE ROAD,  
SANTACURZ(WEST),  
MUMBAI- 400054.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by POWERHOUSE GYM & WELLNESS LIMITED (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minutes books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorised 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 March 31, 2016 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 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 March 31<sup>st</sup> 2016 according to the provisions of:

1. The notified Sections of the Companies Act 2013 and Rules made there under.
2. The Securities contracts( Regulation) Act, 1956 (SCRA) and the rules made there under;
3. The Depositories Act, 1996 and the Regulations and Bye-law framed hereunder;
4. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment and Overseas Direct Investment (Not applicable to the company during the Audit period).

For Rohit Singhi & Co.  
(Company Secretary)  
Cop No. 16021  
Rohit Singhi



5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India 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:

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; (Not applicable to the company during the Audit period):

(d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines 1959 (Not applicable to the company during the Audit Period):

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not applicable to the company during the Audit period);

(f) The Securities and Exchange Board of India (Registration to an Issue and Share Transfers Agents ) Regulations, 1993;

(g) The Securities and Exchange Board of India (Desisting of Equity Shares) Regulations, 2009 (Not applicable to the company during the Audit period) and

(h) The Securities and Exchange Board of India (Buyback of Securities)

6. As informed to us that the other law applicable to the company is The Income Tax Act, 1961.

We have also examined compliance with the applicable clause of the following

- I. The Secretarial Standards issue by the Institute of Company Secretaries of India. (Not applicable to the Company during the Audit period)
- II. The Listing Agreements entered into by the Company with Bombay Stock Exchange SME.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, -guidelines, Standards, etc mentioned above.

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, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarification on the agenda items before the meeting and for meaningful participation at the 'meeting.

For Rohit Singhi & Co.  
Company Secretary  
Cop No. 16021  
Rohit Singhi



All decision at Board Meetings and Committee Meetings are carried unanimously 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.

Note: This report is to be read with our letter of even date which is annexed as "ANNEXURE A' and forms an integral part of this report.

For Rohit Singhi & Co.  
(Company Secretary)  
Cop No. 16021  
Rohit Singhi



To, The Members,  
POWERHOUSE GYM & WELLNESS LIMITED  
101,SWATI BUILDING,  
NORTH AVENUE ROAD,  
SANTACURZ(WEST),  
MUMBAI- 400054.

"ANNEXURE A"

Our report of even date is to be read along with this letter.

Maintenance of Secretariat records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretariat records. The verification was done on the test basis to ensure that correct facts are reflected in Secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.

Where ever required, we have obtained the Management representation about compliance of laws, rules and regulations and happenings of events etc.

The compliance of provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.

The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of efficacy or effectiveness with which the management has conducted the affairs of the Company.

Date- 22/08/2016

Place- Kolkata

**For Rohit Singhi & Co.**  
(Company Secretary)  
Cop No. 16021

*Rohit Singhi*

Rohit Singhi

CoP No- 16021

Membership No- 43484

Practicing Company Secretary



**Jain Anil & Associates**  
**Chartered Accountants**

1603, Gaurav Height, Mahavir Nagar, Kandivali (West), Mumbai – 400067.

**INDEPENDENT AUDITOR'S REPORT**

**TO THE MEMBERS OF POWERHOUSE GYM & WELLNESS LIMITED.**

**Report on the Financial Statements**

We have audited the accompanying (Standalone) financial statements of **POWERHOUSE GYM & WELLNESS LIMITED ("the Company")** which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss, 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 ("the Act") with respect to the preparation of these (Standalone) financial statements that give a true and fair view of the financial position, financial performance 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





**Jain Anil & Associates**  
**Chartered Accountants**

1603, Gaurav Height, Mahavir Nagar, Kandivali (West), Mumbai – 400067.

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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, 2016, and its Profit/Loss 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 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.





**Jain Anil & Associates**  
**Chartered Accountants**

1603, Gaurav Height, Mahavir Nagar, Kandivali (West), Mumbai – 400067.

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- 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.

For and on behalf of  
**ANIL JAIN & ASSOCIATES**  
*Chartered Accountants*  
Firm's registration number:115987W



**ANIL JAIN**  
PROPRIETOR  
Membership number:039803



Place: MUMBAI  
Date: 05.09.2016



**Jain Anil & Associates**  
**Chartered Accountants**

1603, Gaurav Height, Mahavir Nagar, Kandivali (West), Mumbai – 400067.

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**“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. Accordingly, 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 186 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 and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
- 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.





**Jain Anil & Associates**  
**Chartered Accountants**

1603, Gaurav Height, Mahavir Nagar, Kandivali (West), Mumbai – 400067.

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- 7) (a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2016 for a period of more than six months from the date on when they become payable.
- (b) According to the information and explanation given to us, 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. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.
- 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, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act;
- 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. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company and hence not commented upon.





**Jain Anil & Associates**  
**Chartered Accountants**

1603, Gaurav Height, Mahavir Nagar, Kandivali (West), Mumbai – 400067.

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- 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. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.
- 16) In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

For and on behalf of  
**ANIL JAIN & ASSOCIATES**  
*Chartered Accountants*  
Firm's registration number:115987W



**ANIL JAIN**  
PROPRIETOR  
Membership number:039803



Place: MUMBAI  
Date: 05.09.2016



**Jain Anil & Associates**  
**Chartered Accountants**

1603, Gaurav Height, Mahavir Nagar, Kandivali (West), Mumbai – 400067.

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**“Annexure B” to the Independent Auditor’s Report of even date on the Standalone  
Financial Statements of Powerhouse Gym & Wellness limited**

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

We have audited the internal financial controls over financial reporting of Powerhouse Gym & Wellness Limited (“the Company”) 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. 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.





**Jain Anil & Associates**  
**Chartered Accountants**

1603, Gaurav Height, Mahavir Nagar, Kandivali (West), Mumbai – 400067.

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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.

For and on behalf of

**ANIL JAIN & ASSOCIATES**

*Chartered Accountants*

Firm's registration number:115987W



**ANIL JAIN**

PROPRIETOR

Membership number:039803

Place: MUMBAI

Date: 05.09.2016





**POWERHOUSE GYM & WELLNESS LIMITED**  
**(Formerly known as Powerhouse Fitness & Realty Limited)**  
**NOTES FORMING PART OF ACCOUNTS FOR THE**  
**YEAR ENDED 31st MARCH, 2016**

**A. SIGNIFICANT ACCOUNTING POLICIES**

**a. ACCOUNTING CONCEPTS :**

The accounts have been prepared on historical cost convention. The company follows the accrual basis of accounting. The financial statements are prepared in accordance with accounting standards specified under section 133 of the companies act 2013, read with rule 7 of the companies (Accounts) Rules, 2014 and the relevant provision of companies act, 2013.

**b. USE OF ESTIMATES :**

The preparation of financial statements requires the management of the company to make estimates and assumption that effect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Differences between the actual results and estimates are recognized in the period in which the results are known/materialized. Though the management believes that the estimates used are prudent and reasonable, actual results could differ from these estimates.

**c. FIXED ASSETS**

Fixed Assets are stated at cost less accumulated depreciation thereon. The cost of fixed assets comprises purchase price and any directly attributable cost of bringing the asset to its working condition for its intended use. Borrowing cost directly attributable to acquisition or construction of those fixed assets which necessary takes substantial period of time to get ready for their intended use are capitalized.

...2...





d. **DEPRECIATION**

In respect of fixed Assets, depreciation is charged on WDV basis to write of the cost of the fixed asset. Useful life of fixed Asset is taken on the basis of its use.

e. **INVESTMENTS**

Investments are classified into current investments and non current investments. Investments that are intended to be held for one year or more as on the date of Balance sheet are classified as non current investments and investments that are held for less than one year as on the date of Balance Sheet are classified as current investments. Non current investment are valued at cost. Income from investment is recognized in the year in which it is accrued and states at gross.

f. **INVENTORIES**

The stock in trade during the year is valued at cost or net realizable value whichever is less.

g. **Employee Benefits :**

No provision is made in respect of retirement benefits.

h. **Revenue Recognition :**

- i) Revenue has been recognized as and when there is a reasonable certainty of its ultimate realization





**i. Contingent Liability :**

i) Provisions are recognized for present obligation of uncertain timing or amount as a result of a past event where a reliable estimate can be made and it is probable that an outflow or resources embodying economic benefits will be required to settle the obligation. Where it is not possible that an outflow or resources embodying economic benefits will be required or the amount cannot be estimated reliably, the obligation is disclosed as contingent liability, unless the probability of outflow or resources embodying economic benefits is remote.


ii) Possible obligations whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain events are also disclosed as contingent liabilities unless the probability of outflow of resources embodying economic benefit is remote.

j. Previous year's figures have been regrouped wherever necessary to confirm to current year's groupings.

**k. Cash and Cash equivalents**


Cash and cash equivalents for the purpose of cash flow statement comprise cash at bank and in hand and short term investments with an original maturity of three months or less

For JAIN ANIL & ASSOCIATES,  
Chartered Accountants

  
(ANIL JAIN)  
Proprietor



For and on behalf of Board of Directors  
POWERHOUSE GYM & WELLNESS LIMITED

  
Ankush Gupta  
Whole-Time Director

  
Akshat Gupta  
Managing Director



PLACE : MUMBAI  
DATED : 05.09.2016



Powerhouse Gym & Wellness Limited (Formerly known as Powerhouse Fitness and Realty Ltd) Balance Sheet as at 31st March 2016			
Particulars	Note No	As at 31st March 2016	As at 31st March 2015
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholder's Funds</b>			
(a) Share Capital	2	69,000,000	69,000,000
(b) Reserves and Surplus	3	46,883,263	49,696,068
<b>(2) Non-Current Liabilities</b>			
(a) Long-term borrowings	4	7,859,114	9,884,407
(b) Deferred tax liabilities (Net)	8	4,642,389	668,745
<b>(3) Current Liabilities</b>			
(a) Trade payables	5	12,844,856	12,110,369
(b) Other current liabilities		6,307,753	4,398,313
(c) Short-term provisions		178,804	557,273
<b>TOTAL</b>		<b>147,716,179</b>	<b>146,315,175</b>
<b>II. Assets</b>			
<b>(1) Non-current assets</b>			
(a) Fixed assets	6		
(i) Tangible assets		70,729,933	48,002,511
(ii) Intangible assets under development		18,433,952	13,867,807
(b) Other Non Current Asset		-	190,846
<b>(2) Current assets</b>			
(a) Trade receivables	7	171,585	192,249
(b) Cash and cash equivalents		17,989,307	3,134,015
(c) Short-term loans and advances		19,836,765	16,153,084
(d) Other current assets		20,554,638	64,774,663
<b>TOTAL</b>		<b>147,716,179</b>	<b>146,315,175</b>
Significant Accounting Policies	1		

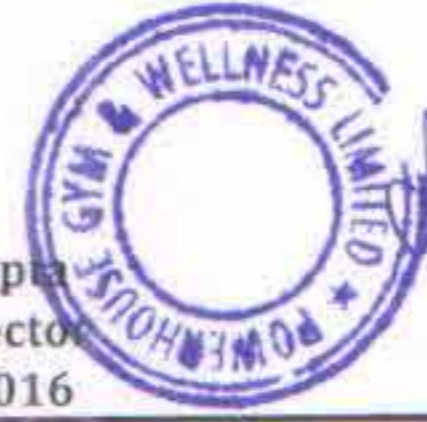
For Jain Anil & Associates  
Chartered Accountants

(Anil Jain)  
Proprietor  
Membership No. 039803  
Firm Reg. No. 115987W  
Date:05/09/2016



For Powerhouse Gym & Wellness Limited

Mr. Akshat Gupta  
Managing Director  
Date:05/09/2016



Mr. Ankush Gupta  
Whole-Time Director



**Notes to financial statement****Note-2: Share Capital**

	As at 31 March 2016	As at 31 March 2015
<b>Authorised</b> 70,00,000 Equity Share of Rs 10/- each	70,00,000	70,00,000
	70,00,000	70,00,000
<b>Issued, Subscribed &amp; Paid Up</b> 69,00,000 Equity Shares of Rs 10/- each fully paid up in cash	69,00,000	69,00,000
<b>Total</b>	<b>69,00,000</b>	<b>69,00,000</b>

Refer Notes (i) to (iv) below

**Notes:****(i) Right of Equity Shareholders :**

The Company has only one class of Equity Shares having a par value of Rs. 10/- each.

**(ii) Reconciliation of the equity shares outstanding at the beginning and at the end of the year**

Particulars	As at 31 March 2016		As at 31 March 2015	
	No. of Shares	Rs.	No. of Shares	Rs.
At the beginning of the year	4,078,200	40,782,000	4,078,200	40,782,000
Issued during the year	2,821,800	28,218,000	2,821,800	28,218,000
<b>Outstanding at the end of the year</b>	<b>6,900,000</b>	<b>69,00,000</b>	<b>6,900,000</b>	<b>69,00,000</b>

**(iii) Details of shares held by each shareholder holding more than 5% of shares:**

Name of Shareholder	Equity Shares			
	As at 31 March 2016		As at 31 March 2015	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Akshat Gupta	1,249,000	18%	1,249,000	18%
Ankush Gupta	1,249,000	18%	1,249,000	18%
Sushma Gupta	800,000	12%	800,000	12%
Ashok Gupta	400,000	6%	400,000	6%
Ashok Gupta HUF	400,000	6%	400,000	6%
Neha Gandhi	201,000	3%	201,000	3%
Shrishti Deora	201,000	3%	201,000	3%

**(iv) The Company is standalone company and does not have any holding company.**





<b>Notes to financial statement</b>		
<b>Note-3 : Reserves &amp; Surplus</b>		
	<b>As at 31 March 2016</b>	<b>As at 31 March 2015</b>
<b>a. Securities Premium</b>	48,000,000	48,000,000
<b>b. Profit &amp; Loss Account</b>		
Opening Balance B/f	1,696,068	829,371
Add:- Profit for the Current Year	(2,812,805)	866,697
	(1,116,737)	1,696,068
<b>Total</b>	<b>46,883,263</b>	<b>49,696,068</b>





Notes to financial statement		
Note-4 : Long Term Borrowings		
	As at 31 March 2016	As at 31 March 2015
(a) Term loans Secured	6,859,114	8,884,407
(b) Loans and advances From related parties	1,000,000	1,000,000
<b>TOTAL</b>	<b>7,859,114</b>	<b>9,884,407</b>

Notes		
(i) Details of terms repayment for the other long-term borrowings and security provided in respect of the secured other long-term borrowings:		
Particulars	As at 31 March 2016	As at 31 March 2015
BOB Loan	4,937,049	6,389,025
BOB Loan	1,922,065	2,495,382
Total Term Loans from Bank	6,859,114	8,884,407
(ii) Details of Unsecured loans From Directors and there relatives :		
Particulars	As at 31 March 2016	As at 31 March 2015
Universal Fitness	1,000,000	1,000,000
Total Unsecured Loans	1,000,000	1,000,000





Notes to financial statement		
Note-5 : Current Liabilities		
	As at 31 March 2016	As at 31 March 2015
(a) Trade Payables		
Sundry Creditors for Goods	3,016,701	2,540,330
Sundry Creditors for Expenses	9,828,155	9,570,039
	<b>12,844,856</b>	<b>12,110,369</b>
(b) Other Current Liabilities		
Duties & taxes	6,307,753	4,398,313
	<b>6,307,753</b>	<b>4,398,313</b>
(c) Short-Term Provisions		
Provision for Income Tax	178,804	557,273
	<b>178,804</b>	<b>557,273</b>

Note-5 : Non Current Assets		
	As at 31 March 2016	As at 31 March 2015
(a) Other non-current assets		
Preliminary Expenses not written off		
Opening Balance with additions	190,846	254,465
Less: Written off during the year	190,846	63,619
	-	<b>190,846</b>





Notes to financial statement

Note-6 : Fixed Assets

Particulars	Gross Block					Depreciation				Net Block	
	Opening Balance	Additions	Disposals/Reclassification	Balance as at 31.03.2016	Opening Balance	Effect through op bal. of retained earning	Depreciation Charge for the year	On Disposals	Balance as at 31.03.2016	Balance as at 31.03.2016	Balance as at 31.03.2015
Computers	705,854	87,750	-	793,604	381,386	-	74,896	-	456,282	337,322	324,468
Air Conditioner	3,154,054	2,212,157	-	5,366,211	331,094	-	335,043	-	666,137	4,700,074	2,822,960
Building	4,128,513	2,875,905	-	7,004,418	418,531	-	373,266	-	791,797	6,212,621	3,709,982
Fitness Equipments	30,760,750	9,920,171	674,828	40,006,093	3,561,616	-	2,860,643	122,144	6,300,115	33,705,978	27,199,134
Plant & Machinery	498,881	-	-	498,881	111,206	-	65,994	-	177,200	321,681	387,675
Electrical Installation	1,714,230	1,269,635	-	2,983,865	346,654	-	272,616	-	619,270	2,364,595	1,367,576
Furniture & Fixture	15,097,038	12,802,215	-	27,899,253	2,906,322	-	1,905,269	-	4,811,591	23,087,662	12,190,716
	56,059,320	29,167,833	674,828	84,552,325	8,056,809	-	5,887,727	122,144	13,822,392	70,729,933	48,002,511
Intangible Assets	13,867,807	4,566,145	-	18,433,952	-	-	-	-	-	18,433,952	13,867,807
<b>Total</b>	69,927,127	33,733,978	674,828	102,986,277	8,056,809	-	5,887,727	122,144	13,822,392	89,163,885	61,870,318





**Notes to financial statement**

**Note-8 : Deferred tax liabilities (Net)**

Particulars	As at 31 March 2016 Rs.	As at 31 March 2015 Rs.
<b>Deferred tax (Liability) / Asset</b>		
<b>Tax effect of items constituting deferred tax liability</b>		
On difference between book balance and tax balance of fixed assets	-	-
On expenditure deferred in the books but allowable for tax purposes	-	-
On items included in Reserves and surplus pending amortisation into the Statement of Profit & Loss	-	-
Others	-	-
Tax effect of items constituting deferred tax liability	-	-
<b>Tax effect of items constituting deferred tax assets</b>		
On difference between book balance and tax balance of fixed assets	(3,973,644)	(373,492)
Tax effect of items constituting deferred tax assets	(3,973,644)	(373,492)
<b>Net Deferred Tax Asset / (Liability) Recognised</b>	<b>(3,973,644)</b>	<b>(373,492)</b>
<b>Deferred Tax Charge for the year :</b>		
<b>Particulars</b>	<b>As at 31 March 2016</b>	<b>As at 31 March 2015</b>
Opening Net Deffered Tax Asset / (Liability)	(668,745)	(295,253)
Less : Closing Net Deferred Tax Asset / (Liability)	(3,973,644)	(373,492)
<b>Deferred Tax charge for the year</b>	<b>(4,642,389)</b>	<b>(668,745)</b>





**Powerhouse Gym & Wellness Limited**  
(Formerly known as Powerhouse Fitness and Realty Ltd)  
Statement of Profit & Loss for the period ended 31st March 2016

	Note No	For the Period ended 31st March 2016	For the Period ended 31st March 2015
Revenue from operations	9	111,591,952	89,573,626
Other Income	10	2,675,143	9,909,551
<b>Total Revenue (I)</b>		<b>114,267,095</b>	<b>99,483,177</b>
<b>Expenses:</b>			
Employee benefit expense	11	32,986,646	24,117,581
Financial costs	12	1,583,318	2,667,972
Depreciation and amortization expense	6	5,765,583	6,331,212
Other Expenses	13	72,470,708	64,673,223
<b>Total Expenses (II)</b>		<b>112,806,255</b>	<b>97,789,988</b>
V. Profit before exceptional and extraordinary items and tax		1,460,839	1,693,189
VI. Exceptional Items		-	-
VII. Profit before extraordinary items and tax		1,460,839	1,693,189
VIII. Extraordinary Items		-	-
IX. Profit before tax		1,460,839	1,693,189
X. Tax expense:			
(1) Current tax		300,000	453,000
(2) Deferred tax		3,973,644	373,492
(3) Prior Year Taxation		-	-
XI. Profit(Loss) from the period from continuing operations		(2,812,805)	866,697
XII. Profit/(Loss) from discontinuing operations		-	-
XIII. Tax expense of discounting operations		-	-
XIV. Profit/(Loss) from Discontinuing operations		-	-
<b>XV. Profit/(Loss) for the period</b>		<b>(2,812,805)</b>	<b>866,697</b>
XVI. Earning per equity share:			
(1) Basic		(0.69)	0.21
(2) Diluted		(0.69)	0.21
Significant Accounting Policies	1		
Notes on Financial Statements	2-13		

For Jain Anil & Associates  
Chartered Accountants

*Anil Jain*  
(Anil Jain)  
Proprietor

Membership No. 039803  
Firm Reg. No. 115987W  
Date:05/09/2016



For Powerhouse Gym & Wellness Limited

*Akshat Gupta*  
Mr. Akshat Gupta  
Managing Director  
Date:05/09/2016



*Ankush Gupta*  
Mr. Ankush Gupta  
Whole-Time Director



**POWERHOUSE GYM & WELLNESS LIMITED**  
(Formerly Known as Powerhouse Fitness and Realty Ltd)

**Notes to Financial Statements**

	For the period ended 31st March 2016	For the period ended 31st March 2015
<b>INCOMES</b>		
<b>Note-9</b>		
<b>Revenue From Operations</b>		
Sales	111,591,952	89,573,626
	111,591,952	89,573,626
<b>Note-10</b>		
<b>Other Income</b>		
Interest - PO RD		
Dividend Received		
Other Income	1,471,208	-
Interest Received on FDR	39,030	1,831,100
Physio Therapy Income	-	7,918,695
		-
<b>Note-11</b>		
<b>Employee Benefits Expense</b>		
Salary And Bonus	32,658,534	24,117,581
Staff Welfare	328,112	-
	32,986,646	24,117,581
<b>Note-12</b>		
<b>Finance Costs</b>		
Interest - Bank	1,310,934	2,345,036
Bank Charges	272,384	322,936
	1,583,318	2,667,972





**Notes to financial statement****Note- 7 : Current Assets**

<b>Current Assets</b>	<b>As at 31 March 2016</b>	<b>As at 31 March 2015</b>
<b>(a) Trade Receivables</b> (Considered to be good by the Management) More than 6 Months Others	142,698 28,887 171,585	- 192,249 192,249
<b>(a) Cash and Cash Equivalents:</b>		
<b>Cash in Hand</b>	2,193,515	2,401,536
<b>Bank Accounts With Schedule Banks In current Account</b>	15,795,792 17,989,307	732,479 3,134,015
<b>(b) Short-Term Loans &amp; Advances</b> <b>Advances recoverable in Cash or in Kind or for value to be received which includes</b> (i) Earnest & Security Deposit (ii) Advance given to supplier	18,975,830 860,935 19,836,765	15,917,135 235,949 16,153,084
<b>(c) Other Current Assets</b> (i) Loans & Advances Receivable / Value to be received (ii) Duties & Taxes	20,413,967 140,671	63,818,199 956,464
	20,554,638	64,774,663





**POWERHOUSE GYM & WELLNESS LIMITED**  
(Formerly Known as Powerhouse Fitness and Realty Ltd)

**Notes to Financial Statements**

**Note-13**

**Other Expenses (Administration)**

Agency Charges	-	106,916
Advertisement Expenses	3,676,100	3,739,084
Business Development Expenses	-	448,385
Brokerage & Commission	4,626,944	4,961,565
Car Expenses	107,394	-
Computer & AMC Maintanence	72,118	103,116
Conveyance	118,570	17,583
Electricity Expenses	16,614,152	14,192,557
General Expenses	465,617	1,280,921
Gym Expenses	1,998,907	4,346,030
House Keeping Charges	804,779	708,086
Inspection Charges	-	5,618
Insurance Charges	161,651	181,480
Internet Charges	62,582	27,945
Interest on Taxes	338,482	116,603
Maintanance Charges	29,000	1,039,300
Misc. Expense written off	190,846	63,619
Labour Charges	-	644,483
Legal & Professional Charges	523,905	2,309,301
Rent	35,848,225	22,627,424
Parking Charges	388,968	385,000
Property Tax	1,153,191	300,040
Printing & Stationery	608,569	1,908,745
Repairs & Maintenance	2,210,608	2,339,667
Rates & Taxes	98,722	100,181
Sales Promotion Expense	547,993	375,168
Security Charges	516,735	196,102
Share Issue Expenses	-	557,342
Software Installation Charges	-	287,500
Survey Charges	29,760	57,432
Travelling Expense	-	135,759
Telephone Expense	874,007	534,399
Transportation Charges	11,500	142,170
Water Charges	391,384	433,702
	72,470,708	64,673,223





POWERHOUSE GYM & WELLNESS LIMITED			
(Formerly Known as Powerhouse Fitness and Realty Ltd)			
Cash Flow Statement 31st March 2016			
	DESCRIPTION	2015-16 Amt. (Rs.)	2014-15 Amt. (Rs.)
A	<b>Cash Flow from operating Activities</b>		
	Net Profit before tax and extraordinary items	1,460,839	1,693,189
	Adjusted for :		
	Depreciation and Amortisation	5,765,583	6,331,212
	Interest Expenses	1,583,318	2,667,972
	<b>Operating Profit before Working Capital Changes</b>	8,809,740	10,692,373
	Adjusted for :		
	(Increase) / Decrease in Sundry Debtors	20,664	(192,249)
	(Increase) / Decrease in Loans & Advances	(3,683,681)	(359,458)
	(Increase) / Decrease in Other Current Assets	44,029,179	(53,888,454)
	Increase / (Decrease) in In Current Liabilities	2,643,927	11,333,082
	<b>Cash Generated from Operations</b>	51,819,830	(32,414,706)
	Taxes Paid	(296,778)	-
	<b>Net Cash from Operating Activities</b>	51,523,052	(32,414,706)
B	<b>Cash Flow from Investing Activities</b>		
	Purchases of Fixed Assets	(33,059,150)	(32,933,569)
	<b>Net Cash from Investing Activities</b>	(33,059,150)	(32,933,569)
C	<b>Cash Flow from Financing Activities</b>		
	Issue of Ordinary Share Capital	-	76,218,000
	Proceeds / (Repayment) from Long Term Borrowings	(2,025,293)	(6,978,830)
	Interest Expenses	(1,583,318)	(2,667,972)
	<b>Net cash from Financing Activities</b>	(3,608,611)	66,571,198
	Net Increase / (Decrease) in Cash and Cash Equivalents	14,855,291	1,222,923
	Cash and Cash Equivalents as at 31-03-2015/31-03-2014	3,134,015	1,911,092
	Cash and Cash Equivalents as at 31-03-2016/31-03-2015	17,989,307	3,134,015





**Jain Anil & Associates**  
**Chartered Accountants**

1603, Gaurav Height, Mahavir Nagar, Kandivali (West), Mumbai – 400067.

**INDEPENDENT AUDITOR'S REPORT**

**TO THE MEMBERS OF POWERHOUSE GYM & WELLNESS LIMITED.**

**Report on the Financial Statements**

We have audited the accompanying (Standalone) financial statements of **POWERHOUSE GYM & WELLNESS LIMITED ("the Company")** which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss, 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 ("the Act") with respect to the preparation of these (Standalone) financial statements that give a true and fair view of the financial position, financial performance 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





# Jain Anil & Associates

## Chartered Accountants

1603, Gaurav Height, Mahavir Nagar, Kandivali (West), Mumbai – 400067.

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, 2016, and its Profit/Loss 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 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.





**Jain Anil & Associates**  
**Chartered Accountants**

1603, Gaurav Height, Mahavir Nagar, Kandivali (West), Mumbai – 400067.

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- 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.

For and on behalf of  
**ANIL JAIN & ASSOCIATES**  
*Chartered Accountants*  
Firm's registration number:115987W



**ANIL JAIN**  
PROPRIETOR  
Membership number:039803



Place: MUMBAI  
Date: 05.09.2016



**Jain Anil & Associates**  
**Chartered Accountants**

1603, Gaurav Height, Mahavir Nagar, Kandivali (West), Mumbai – 400067.

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**“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. Accordingly, 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 186 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 and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
- 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.





**Jain Anil & Associates**  
**Chartered Accountants**

1603, Gaurav Height, Mahavir Nagar, Kandivali (West), Mumbai – 400067.

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- 7) (a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2016 for a period of more than six months from the date on when they become payable.
- (b) According to the information and explanation given to us, 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. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.
- 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, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act;
- 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. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company and hence not commented upon.





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- 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. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.
- 16) In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

For and on behalf of  
**ANIL JAIN & ASSOCIATES**  
*Chartered Accountants*

Firm's registration number:115987W



**ANIL JAIN**

PROPRIETOR

Membership number:039803



Place: MUMBAI

Date: 05.09.2016



**Jain Anil & Associates**  
**Chartered Accountants**

1603, Gaurav Height, Mahavir Nagar, Kandivali (West), Mumbai – 400067.

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**“Annexure B” to the Independent Auditor’s Report of even date on the Standalone  
Financial Statements of Powerhouse Gym & Wellness limited**

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

We have audited the internal financial controls over financial reporting of Powerhouse Gym & Wellness Limited (“the Company”) 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. 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.





**Jain Anil & Associates**  
**Chartered Accountants**

1603, Gaurav Height, Mahavir Nagar, Kandivali (West), Mumbai – 400067.

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.

For and on behalf of

**ANIL JAIN & ASSOCIATES**

*Chartered Accountants*

Firm's registration number: 150870



**ANIL JAIN**

PROPRIETOR

Membership number: 039803

Place: MUMBAI

Date: 05.09.2016





**POWERHOUSE GYM & WELLNESS LIMITED**  
**(Formerly known as Powerhouse Fitness & Realty Limited)**  
**NOTES FORMING PART OF ACCOUNTS FOR THE**  
**YEAR ENDED 31st MARCH, 2016**

**A. SIGNIFICANT ACCOUNTING POLICIES**

**a. ACCOUNTING CONCEPTS :**

The accounts have been prepared on historical cost convention. The company follows the accrual basis of accounting. The financial statements are prepared in accordance with accounting standards specified under section 133 of the companies act 2013, read with rule 7 of the companies (Accounts) Rules, 2014 and the relevant provision of companies act, 2013.

**b. USE OF ESTIMATES :**

The preparation of financial statements requires the management of the company to make estimates and assumption that effect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Differences between the actual results and estimates are recognized in the period in which the results are known/materialized. Though the management believes that the estimates used are prudent and reasonable, actual results could differ from these estimates.

**c. FIXED ASSETS**

Fixed Assets are stated at cost less accumulated depreciation thereon. The cost of fixed assets comprises purchase price and any directly attributable cost of bringing the asset to its working condition for its intended use. Borrowing cost directly attributable to acquisition or construction of those fixed assets which necessary takes substantial period of time to get ready for their intended use are capitalized.



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d. **DEPRECIATION**

In respect of fixed Assets, depreciation is charged on WDV basis to write of the cost of the fixed asset. Useful life of fixed Asset is taken on the basis of its use.

e. **INVESTMENTS**

Investments are classified into current investments and non current investments. Investments that are intended to be held for one year or more as on the date of Balance sheet are classified as non current investments and investments that are held for less than one year as on the date of Balance Sheet are classified as current investments. Non current investment are valued at cost. Income from investment is recognized in the year in which it is accrued and states at gross.

f. **INVENTORIES**

The stock in trade during the year is valued at cost or net realizable value whichever is less.

g. **Employee Benefits :**

No provision is made in respect of retirement benefits.

h. **Revenue Recognition :**

- i) Revenue has been recognized as and when there is a reasonable certainty of its ultimate realization





**i. Contingent Liability :**

i) Provisions are recognized for present obligation of uncertain timing or amount as a result of a past event where a reliable estimate can be made and it is probable that an outflow or resources embodying economic benefits will be required to settle the obligation. Where it is not possible that an outflow or resources embodying economic benefits will be required or the amount cannot be estimated reliably, the obligation is disclosed as contingent liability, unless the probability of outflow or resources embodying economic benefits is remote.

ii) Possible obligations whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain events are also disclosed as contingent liabilities unless the probability of outflow of resources embodying economic benefit is remote.

j. Previous year's figures have been regrouped wherever necessary to confirm to current year's groupings.

**k. Cash and Cash equivalents**

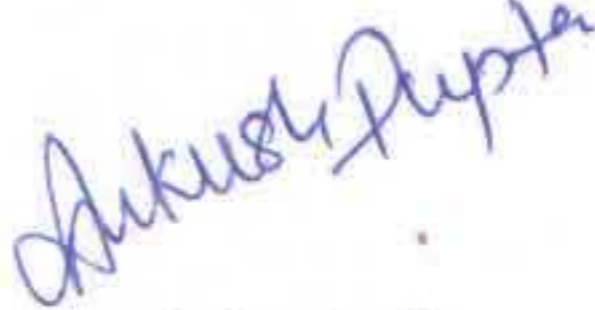
Cash and cash equivalents for the purpose of cash flow statement comprise cash at bank and in hand and short term investments with an original maturity of three months or less

For JAIN ANIL & ASSOCIATES,  
Chartered Accountants

  
(ANIL JAIN)  
Proprietor



For and on behalf of Board of Directors  
POWERHOUSE GYM & WELLNESS LIMITED

  
Ankush Gupta  
Whole-Time Director

  
Akshat Gupta  
Managing Director



PLACE : MUMBAI  
DATED : 05.09.2016