

## DIRECTOR'S REPORT

The Members of  
Vani Commercials Limited

Your Directors have pleasure in presenting the 32<sup>nd</sup> Director's Report of your Company together with the Audited Financial Statement along with Auditors' Report for the Financial Year ended, 31st March, 2019.

### 1. FINANCIAL HIGHLIGHTS AND STATE OF COMPANY'S AFFAIRS

#### (a) Financial Highlights (Amount in ₹)

Particulars	Current year	Previous Year
Total Income	26,06,316.00	24,67,604.00
Total Expenses	23,71,264.00	22,66,500.50
<b>Profit/ (Loss) Before Tax</b>	<b>2,35,052.00</b>	<b>2,01,103.50</b>
<b>Tax Expenses</b>		
Current Tax	62,000.00	54,786.00
Deferred Tax	2,627.00	(4,666.00)
Provision for Standard Assets	58,737.00	60,031.00
<b>Profit/(Loss) after Tax</b>	<b>1,11,688.00</b>	<b>90,952.50</b>
Transfer to Statutory Reserves	27,922.00	22,738.00
Net Profit Transferred to General Reserves	0	0
<b>Earnings per share (Rs.)</b>		
Basic	0.03	0.02
Diluted	0.03	0.02

During the year, your Company recorded Total Income of ₹26,06,316.00 (previous year ₹24,67,604.00). The Company recorded a Net Profit of ₹1,11,688.00 during the Financial Year ended 31st March, 2019 as against net profit of ₹90,952.50 in the previous year. Further as the Company is NBFC, it made provision for Standard Assets'.

#### (b) Capital Structure

The Authorised Share Capital as at March 31, 2019 stood at ₹ 5,05,00,000/- (Rupees Five Crore Five Lakh only) divided into 50,50,000 ( Fifty Lakh Fifty Thousand) equity shares of ₹10/- (Ten) each and the paid up Equity Share Capital as at March 31, 2019

stood at ₹ 4,11,98,000/- (Rupees Four Crore Eleven Lakh Ninty Eight Thousand only) divided into 41,19,800 ( Forty-One Lakh Nineteen Thousand Eight Hundred only) equity shares of ₹10 (Ten) each. During the year under review there was no changes reported

#### (c) Transfer to Reserves in Terms of Section 134 (3) (J) of The Companies Act, 2013

For the Financial Year ended 31st March, 2019, the Company has not proposed to carry any amount to the General Reserve Account.

#### (d) Transfer To Statutory Reserves

For the financial year ended 31st March, 2019, the Company is proposed to carry an amount of 27,922.00 to Statutory Reserve Account as required under the provisions of Section 45-IC of RBI Act, 1934.

#### (e) Dividend

The Board does not recommend any dividend, due to meager profit in the Financial Year 2018-19.

#### (f) Material Changes and Commitments

There are no material changes from the end of Financial Year till the date of this report

### 2. PUBLIC DEPOSITS

During the year under report, your Company did not accept any deposits from the public in terms of the provisions of Chapter V of the Companies Act, 2013 and under provision of Section 45-IA of the RBI Act, 1934.

### 3. DIRECTORS AND KEY MANAGERIAL PERSONNEL

#### (A) CHANGES IN BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

##### CHANGES IN BOARD OF DIRECTORS

There were no changes in the composition of Board of Directors during the year under reporting. However, Mr. Sunkulp Sagar (DIN: 01555972) is appointed as Additional Director- Independent, subject to approval of the members in the forth coming Annual General Meeting, as on the Date of this report.

Therefore, as on the date of this report, the Board consists of the following Directors:

- Ms. Neha Ashish Karia (Managing Director and CFO)
- Ms. Pooja Bhatia (Non-Executive Director)
- Mr. Pravinbhai Parsotambhai Shankhavara (Independent Director)
- Mr. Viralbhai Vijaybhai Dodiya (Independent Director)
- Mr. Sunkulp Sagar (Independent Director)

#### **CHANGES IN KEY MANAGERIAL PERSONNEL**

Mr. Praveen Kumar has placed his resignation from the post of Company Secretary and Compliance Officer w.e.f. 29<sup>th</sup> June, 2018 consequently. Ms. Namrita was appointed as Company Secretary and Compliance Officer w.e.f. 21<sup>st</sup> July, 2018.

#### **(B) RETIREMENT BY ROTATION**

In accordance with the provisions of Section 152(6) of the Act and the Articles of Association of the Company, Ms. Pooja Bhatia (DIN: 00188770) will retire by rotation at the ensuing Annual General Meeting ('AGM') of the Company and, being eligible, offers herself for re-appointment. Your Board has recommended her re-appointment.

#### **(C) DECLARATION OF INDEPENDENCE BY THE INDEPENDENT DIRECTORS AND STATEMENT ON COMPLIANCE OF CODE OF CONDUCT**

A declaration from Mr. Pravinbhai Parsotambhai Shankhavara, Mr. Viralbhai Vijaybhai Dodiya and Mr. Sunkulp Sagar, the Independent Directors of your Company have received confirming that they meet with the criteria of Independence as prescribed under Section 149(6) of the Act read with Rule 5 of the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

The Independent Directors have complied with the Code for Independent Directors prescribed in Schedule IV to the Act Framework for Familiarization Programme for the Independent Directors and the details of Familiarization Programme

imparted to Independent Directors are made available on the website of the Company <http://www.vanicommercials.com/wp-content/uploads/2019/06/FRAMEWORK-FOR-FAMILIARIZATION-PROGRAM-FOR-INDEPENDENT-DIRECTORS.pdf> and [http://www.vanicommercials.com/wp-content/uploads/2019/06/VANI\\_Details-of-Familiarization-Programme-attended-by-Independent-Director.pdf](http://www.vanicommercials.com/wp-content/uploads/2019/06/VANI_Details-of-Familiarization-Programme-attended-by-Independent-Director.pdf) respectively.

The Company has formulated the Code of Conduct for Directors and Senior Management Personnel Further the Board of Directors and Senior Management Personnel have fully complied with the provisions of the Code of Conduct of Board of Directors and Senior Management of the Company during the Financial Year ending 31<sup>st</sup> March, 2019.

#### **(D) KEY MANAGERIAL PERSONNEL OF THE COMPANY**

Pursuant to the provisions of Section 203 of the Act, the Key Managerial Personnel of the Company as on the date of this report are Ms. Neha Ashish Karia, Managing Director & CFO and Ms. Namrita, Company Secretary.

#### **(E) ATTRIBUTES, QUALIFICATIONS AND APPOINTMENT OF DIRECTORS**

The Nomination and Remuneration Committee has adopted the attributes and qualifications as provided in Section 149(6) of the Act and Rule 5 of the Companies (Appointment and Qualification of Directors) Rules, 2014, in respect of Independent Directors. The Committee has also adopted the same attributes and qualifications, to the extent applicable, in respect of Non-Independent Directors.

All the Non-Executive Directors of the Company fulfil the fit and proper criteria for appointment as Directors. Further, all Directors of the Company, other than Independent Directors, are liable to retire by rotation. One-third of the Directors who are liable to retire by rotation, retire every year and are eligible for re-election.

#### (F) REMUNERATION POLICY

The Board, on the recommendation of the Nomination and Remuneration Committee, approved the Remuneration Policy for the Directors, Key Managerial Personnel and other employees of the Company, a copy of which is enclosed as **Annexure: I** to this Report.

#### (G) BOARD EVALUATION

The Board carried out formal annual evaluation of its own performance and that of the individual Directors as also functioning of the Board Committees pursuant to the provisions of Companies Act, 2013, SEBI ((Listing Obligations and Disclosures Requirements) Regulations, 2015) and the Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India on January 5, 2017, as required in terms of Section 134 (3) (p) of the Act. The performance evaluation of the Board, its committees and individual Directors was based on criteria approved by the Nomination and Remuneration Committee. The Directors expressed their satisfaction with the overall evaluation process.

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

#### 4. NUMBER OF BOARD MEETINGS

During the year ended 31st March, 2019 , 9 (Nine) meetings of the Board were held on 26<sup>th</sup> April 2018; 30<sup>th</sup> May 2018; 30<sup>th</sup> June 2018; 21<sup>st</sup> July, 2018; 10<sup>th</sup> August 2018; 30<sup>th</sup> August 2018; 12<sup>th</sup> November 2018; 11<sup>th</sup> February 2019 and 28<sup>th</sup> February, 2019.

#### 5. BOARD COMMITTEES AND MEETINGS

Presently, the Company has three Board Committees with the following members:

Audit Committee	Mr. Viralbhai Vijaybhai Dodiya Mr. Pravinbhai Parsotambhai Shankhvara Ms. Neha Ashish Karia	Chairman Member Member
Nomination and Remuneration Committee	Mr. Pravinbhai Parsotambhai Shankhvara Mr., Viralbhai Vijaybhai Dodiya Ms. Pooja Bhatia	Chairman Member Member
Stakeholders Relationship Committee*	Ms. Pooja Bhatia Mr., Viralbhai Vijaybhai Dodiya Mr. Pravinbhai Parsotambhai Shankhvara	Chairman Member Member

#### **THE DETAILS OF THE AUDIT COMMITTEE MEETING HELD DURING THE YEAR ARE AS FOLLOWS:**

During the year ended 31<sup>st</sup> March, 2019, 4 (Four) meetings of the Audit Committee were held which are as follows: 30<sup>th</sup> May, 2018; 10<sup>th</sup> August, 2018; 12<sup>th</sup> November, 2018 and 11<sup>th</sup> February, 2019.

#### **THE DETAILS OF THE NOMINATION AND REMUNERATION COMMITTEE MEETING HELD DURING THE YEAR ARE AS FOLLOWS:**

During the year ended 31<sup>st</sup> March, 2019, 3 (Three) meetings of the Nomination and Remuneration Committee were held which are as follows: 26<sup>th</sup> April, 2018; 21<sup>st</sup> July, 2018 and 30<sup>th</sup> August, 2018,

#### **THE DETAILS OF THE STAKEHOLDERS RELATIONSHIP COMMITTEE MEETING HELD DURING THE YEAR ARE AS FOLLOWS:**

During the year ended 31<sup>st</sup> March, 2019, 4 (Four) meetings of Stakeholder's Relationship Committee were held which are as follows: 30<sup>th</sup> May, 2018; 10<sup>th</sup> August, 2018; 12<sup>th</sup> November, 2018 and 11<sup>th</sup> February, 2019

#### 6. DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 134(5) of the Act, your Board of Directors to the best of their knowledge and ability confirm that: -

- i) in the preparation of the Annual Accounts, the applicable Accounting Standards had been followed with proper explanation relating to material departures, if any;
- ii) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
- iii) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities;
- iv) they have prepared the Annual Accounts on a going concern basis;
- v) they have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and were operating effectively;
- vi) proper systems have been devised to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively.

#### **7. SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES**

As at March, 31 2019 the Company does not have any subsidiary, associate or joint venture.

#### **8. LISTING INFORMATION**

The Equity Shares of the Company are presently listed only at BSE Limited and listing fee for 2019 has been paid. As Exit Order was passed by SEBI against UPSE on 09/06/2015 and against Gauhati Stock Exchange on 27/01/2015, thereby rendering both the Stock Exchanges non operational.

#### **9. DEMATERIALIZATION OF SHARES**

The securities of the Company are admitted with NSDL and CDSL, the ISIN allotted to the Company is INE661Q01017.

#### **10. REPORT ON CORPORATE GOVERNANCE**

In terms of Regulation 15(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the provision of Regulation 27 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are not applicable to the Company since the paid up capital of the Company is below Rs. 10 crores and also the net worth of the Company is below Rs. 25 Crores. Thus, the Company is not required to attach the Corporate Governance report with the Report of the Board of Directors.

#### **11. CORPORATE SOCIAL RESPONSIBILITY**

During the financial year 2018-19, the Net Worth of the Company was ₹ 4,13,02,723, Turnover of the Company was ₹ 24,99,038.00 and Net profit of the Company was below prescribed limit therefore provisions of Section 135(1) of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 are not applicable.

#### **12. PARTICULRS OF EMPLOYEES AND RELATED DISCLOSURES**

The Company provides a gender friendly workplace, during the year under review, there were no cases filed pursuant to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

The company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

#### **Disclosure on remuneration pursuant to Section 197 of the Companies Act, 2013 read with Rule 5 (1) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014**

There are no employees drawing remuneration in excess of the limits set out in the said Rules during the financial year. Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are as follows:

- The Ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year 2018-19:

S. No.	Name	Designation	Ratio
1.	Neha Ashish Karia	Whole Time Director and CFO	Nil
2.	Pooja Bhatia	Director	Nil

- Percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Director & Company Secretary or Manager in the financial year 2018-19

S. No.	Name	Designation	% increase
1.	Neha Ashish Karia	Whole Time Director and CFO	Nil
2.	Pooja Bhatia	Director	Nil
3.	Namrita	Company Secretary	16.667%

- Percentage increase in Median remuneration of employees in a financial year: 10% -20%
- Number of permanent employees on rolls of the Company as on 31.03.2019. : 5 (Five)
- Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof:

Average remuneration increase for Non Managerial Personnel of the Company during the financial year was 10%-20% and the average remuneration increase for the said financial year, in Managerial Personnel of the Company was 16.667%.

**The Company affirms that the remuneration is as per the Remuneration Policy of the Company.**

#### 1. **MAINTENANCE OF COST RECORDS AS SPECIFIED UNDER SECTION 148 OF THE COMPANIES ACT, 2013**

The provisions of maintenance of cost records as specified under sub-section (1) of section 148 of the Companies Act, 2013 is not applicable to the company and accordingly accounts and records are not maintained as per the provisions of this section.

## 2. **RISK MANAGEMENT**

The Board has approved the Risk Management Policy of the Company. The Company's risk management framework is designed to address risks intrinsic to operations, financials and compliances arising out of the overall strategy of the Company. The Company manages monitors and reports on the principal risks and uncertainties that can impact its ability to achieve its objectives. The responsibility for management of risks vests with the Managers/ officers responsible for the day-to-day conduct of the affairs of the Company which lead to identification of areas where risk management processes need to be strengthened. Annual update is provided to the Board on the effectiveness of the Company's risk management systems and policies.

## 3. **INTERNAL FINANCIAL CONTROLS & INTERNAL AUDIT**

The Company has adequate internal financial controls with respect to the financial statements, commensurate with the size and scale of the operations of the Company. During the year such controls were tested and no reportable material weakness in operation has been observed. Internal audit of the Company has been carried out during the year. The Audit Committee reviews the internal audit findings, provides guidance on internal controls and ensures that the internal audit recommendations are implemented.

## 4. **PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS**

The Company is a Non Banking Financial Company, registered with the Reserve Bank of India, thus the provisions of the Section 186 of the Companies Act, 2013 do not apply to the Company.

## 5. **RELATED PARTY TRANSACTIONS**

During the year ended 31st March, 2019, there was no Related Party Transactions.

The Policy on materiality of related party transactions and dealing with related party transactions as approved by the Board is available on the website of the Company at weblink [http://www.vanicommercials.com/wp-content/uploads/2019/06/VANI\\_Policy-on-materiality-of-Related-Party-Transactions-and-on-dealing-with-Related-Party-Transactions.pdf](http://www.vanicommercials.com/wp-content/uploads/2019/06/VANI_Policy-on-materiality-of-Related-Party-Transactions-and-on-dealing-with-Related-Party-Transactions.pdf)

**6. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS / COURTS / TRIBUNALS**

During the year under review, no significant or material orders were passed by the Regulators / Courts / Tribunals which would impact the going concern status of the Company and its future operations.

**7. EXTRACT OF ANNUAL RETURN**

Pursuant to Section 92(3) of the Companies Act, 2013, the details forming part of the extract of the Annual Return in Form MGT-9 are provided under **Annexure: II** to this Report. The details of Annual return is also available on the website of the company at the weblink <https://www.vanicommercials.com/stakeholders-info>

**8. STATUTORY AUDITORS AND AUDIT REPORT**

Pursuant to the provisions of section 139 of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014, as amended from time to time, M/s MKRJ & Co., Chartered Accountants, appointed as statutory auditors of the Company from the conclusion of the 30th Annual General Meeting held on 28<sup>th</sup> September, 2017 till the conclusion of the 35<sup>th</sup> AGM of the Company to be held in the year 2022.

The comments made by the Auditors' in their Report are self explanatory and do not call for any further comments. The Auditors' Report does not contain any qualification, reservation or adverse remark.

**9. MANAGEMENT DISCUSSION & ANALYSIS REPORT**

Management's Discussion and Analysis Report for the year under review, as stipulated under Regulation 34(2) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is presented in a separate section forming a part of the Annual Report.

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

**CONSERVATION OF ENERGY:**

**Steps taken on conservation of energy and impact thereof:**  
Efforts to conserve electricity by operating only necessary lights, fittings and fixtures were made during the financial year 2018-19.

**Steps taken by the company for utilizing alternate sources of energy:** NIL

**Capital investment on energy conservation equipment:** NIL.

**TECHNOLOGY ABSORPTION:**

(I) Efforts, in brief, made towards technology absorption and benefits derived as a result of the above efforts, e.g. product improvement, cost reduction, product development, import substitution, etc : Nil

(II) No technology was/were imported during the last 3 years reckoned from the beginning of the Financial year.

(III) Expenditure incurred on research and development – NIL

**FOREIGN EXCHANGE EARNINGS AND OUTGO**

There were no foreign exchange earnings or outflow during the financial year.

**11. SECRETARIAL AUDITOR & SECRETARIAL AUDIT REPORT**

In terms of Section 204 of the Companies Act, 2013, the Company has appointed Ms. Varsha Aggarwal, Practicing Company Secretary of M/s. V Aggarwal and Co., Company Secretaries as the Secretarial Auditor of the Company for the Financial Year 2018-19. The Secretarial Audit Report given by Ms. Varsha Aggarwal, Practicing Company Secretary is provided under **Annexure: III** to this Report.

The comments made by the Secretarial Auditor are self explanatory and do not require and further comments. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

**12. COMPLIANCE WITH SECRETARIAL STANDARDS**

The Board of Directors state that the company has complied with the provisions of the applicable Secretarial Standards issued by the Institute of Company Secretaries of India, as amended from time to time

**13. ESTABLISHMENT OF VIGIL MACHENISM**

The Vigil Mechanism Policy of the Company is formulated in terms of section 177 (9) of the Companies Act, 2013 read with the provisions of the Listing Agreement with the Stock Exchange(s) and thereby

also incorporates Whistle Blower Policy. That as per the said policy protected disclosures can be made by the whistle blower to the dedicated e-mail / telephone line/ letter to Chairman of Audit Committee.

The Policy on Vigil Mechanism and Whistle Blower Policy as approved by the Board is available on the website of the Company at <http://www.vanicommercials.com/wp-content/uploads/2019/06/VIGIL-MECHANISM-AND-WHISTLE-BLOWER-POLICY.pdf>

#### 14. **ACKNOWLEDGEMENT**

Your directors would like to express their sincere appreciation for the assistance and corporation received from the financial institutions, banks, Government authorities, customers, vendors and members during the year under review. Your directors also wish to place on record their deep sense of appreciation for the committed services by the Company's executives, staff and workers.

**For & on behalf of Board of Directors  
Vani Commercials Limited**

**Date: 03/07/2019**  
**Place: New Delhi**

**Sd/-  
Neha Ashish Karia  
Managing Director and CFO  
DIN: 07894660**

**Sd/-  
Pooja Bhatia  
Director  
DIN: 00188770**

**Vani Commercials Limited**  
Regd. Off.: 'AASTHA', LP – 11C,  
Pitampura, New Delhi – 110034  
CIN: L74899DL1988PLC106425  
Email ID: [info@vanicommercials.com](mailto:info@vanicommercials.com)

**'Annexure- I'**

### **NOMINATION & REMUNERATION POLICY (DIRECTORS, KMP & SENIOR MANAGEMENT)**

#### **INTRODUCTION**

In pursuance of the Company's philosophy to consider its employees as its invaluable assets, to pay equitable remuneration to all Directors, Key Managerial Personnel (KMP) and employees of the Company, to harmonize the aspirations of human resources consistent with the goals of the Company and, in terms of the provisions of the Companies Act, 2013, this policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated by the Nomination & Remuneration Committee and approved by the Board of Directors.

#### **OBJECTIVE**

The objective and purpose of the Policy are as given below:

1. To lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Directors (Executive and Non-Executive) and persons who may be appointed in Senior Management and Key Managerial positions and to determine their remuneration.
2. To carry out evaluation of the performance of Directors, as well as Key Managerial and Senior Management Personnel.
3. To provide them reward linked directly to their effort, performance, dedication and achievement of Organization's goals as entrusted on them.
4. To retain, motivate and promote talent and to ensure long term retention of talented managerial persons and create competitive advantage. In the context of the aforesaid objectives the following policy has been framed and recommended by the Nomination & Remuneration Committee and adopted by the Board of Directors.

#### **PART – A**

#### **POLICY FOR APPOINTMENT AND REMOVAL OF DIRECTOR, KMP AND SENIOR MANAGEMENT**

##### **APPOINTMENT**

1. The candidate for a position at Director, KMP or Senior Management level is met by the Managing Director in consultation with the other