

# V.B. Desai Financial Services Limited

Category I Merchant Banker - SEBI Registration No. INM 000002731

September 24, 2018

The Corporate Relations Department  
The BSE Limited  
P.J. Towers,  
Dalal Street, Mumbai – 400 001

Dear Sirs,

**Ref: Company Code No. 511110**

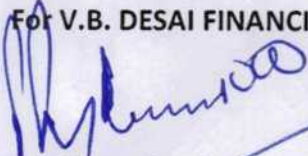
**Sub: Submission of 32nd Annual Report for the year ended on 31<sup>st</sup> March 2018**

Pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we submit the 32nd Annual Report of our Company duly adopted by the members at the Annual General Meeting held on 22nd September 2018.

Kindly take the same on your record.

Thanking you,  
Yours faithfully,

For V.B. DESAI FINANCIAL SERVICES LIMITED

  
Pradip R. Shroff  
Managing Director

Encl: as above

**V. B. DESAI  
FINANCIAL SERVICES LIMITED**

**32ND  
ANNUAL REPORT  
2017-2018**



## V. B. DESAI FINANCAL SERVICES LIMITED

CIN L74120MH1985PLC037218

### BOARD OF DIRECTORS

Mr. Samir R. Dedhia- Chairman (DIN 06864567)  
 Mr. Pradip R. Shroff - Managing Director (DIN 00286291)  
 Mr. Manoj T. Shroff (DIN 00330560)  
 Mr. Khurshid Shaikh (01450745)  
 Mr. Hemendra J. Shroff (DIN 00286509)  
 Mrs. Rachana S. Vijayakar (DIN 03317373)

### Chief Financial Officer

Mr. Shashank S. Vijayakar

### Company Secretary & Compliance Officer

Mr. Kamlesh M. Gagavani

### REGISTERED OFFICE

Cama Building, 1st Floor,  
 24/26, Dalal Street, Fort,  
 Mumbai – 400 001

### AUDITORS

M/s. A.N. DAMANIA & CO.  
 Chartered Accountants, Mumbai

### BANKERS

HDFC Bank Ltd.  
 Corporation Bank

### REGISTRAR & SHARE TRANSFER AGENT

Purva Sharegistry (India) Pvt. Ltd.  
 9, Shiv Shakti Industrial Estate  
 J.R.Boricha Marg, Lower Parel (East),  
 Mumbai – 400 011.  
 Te: 022-23016761

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### IMPORTANT COMMUNICATION TO MEMBERS

The Ministry of Corporate Affairs has taken the "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and has issued circulars stating that service of notice / document including annual report can be sent by e-mail to its members. To support this green initiative of the Government in full measures, members who have so far not registered their e-mail addresses are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to send the e-mail address to the Registrar & Transfer Agents quoting their folio number.

### NOTICE

NOTICE IS HEREBY GIVEN THAT the Thirty Second Annual General Meeting of the Members of V. B Desai Financial Services Limited will be held at Cama Building, 1<sup>st</sup> Floor, 24/26, Dalal Street, Fort, Mumbai – 400 001 on Saturday, the 22nd September, 2018 at 11.00 a.m. to transact the following business.

#### ORDINARY BUSINESS

1. To receive and adopt the Profit and Loss Account for the year ended on 31<sup>st</sup> March, 2018 and the Balance Sheet as on that date and the reports of Auditors and Directors thereof.
2. To appoint a Director in place of Mrs. Rachana S. Vijayakar (DIN 03317373), who retires by rotation at this Annual General Meeting and being eligible has offered herself for re-appointment.
3. To appoint a Director in place of Mr. Manoj T. Shroff (DIN 00330560), who retires by rotation at this Annual General Meeting and being eligible has offered himself for re-appointment.
4. To appoint statutory auditors of the Company and fix their remuneration

“RESOLVED THAT pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, as may be applicable and pursuant to the recommendations of the Audit Committee, M/s. N.S. Shetty & Co., Chartered Accountants (Firm Registration No. 110101W), be appointed as statutory auditors of the Company, in place of retiring auditors M/s. A.N. Damania & Co., Chartered Accountants (Firm Registration No. 102077), to hold office from the conclusion of this Annual General Meeting (AGM) for a period of 5 years, subject to ratification by members every year, as applicable, at such remuneration and out of pocket expenses, as may be decided by the Board of Directors of the Company.”

#### SPECIAL BUSINESS: RE-APPOINTMENT OF MR. PRADIP R. SHROFF (DIN: 00286291) AS MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER.

5. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Special Resolution:

“RESOLVED THAT pursuant to provisions of provisions of Section 196, 197, 198 and any other applicable provisions, if any, of the Companies Act, 2013, the relevant rules made thereunder read with Schedule V of the said Act (including any statutory modifications and reenactment thereof, for the time being in force), consent of the members of the Company be and is hereby accorded for the reappointment of Mr. Pradip R.

Shroff (DIN: 00286291) as Managing Director and Chief Executive Officer of the Company for a further period of five years with effect from 15<sup>th</sup> July 2018, on the terms and conditions as agreed between Mr. Pradip Shroff and the Company, salient features of which are specified in the Explanatory Statement under Section 102 of the Companies Act, 2013 annexed to this Notice, with liberty to the Board of Directors to vary the terms including increase in remuneration within the limits prescribed under the Act and as may be mutually agreed to by and between Mr. Pradip Shroff and the Company from time to time.

RESOLVED FURTHER THAT where in any financial year during the currency of his tenure, the Company has no profits or inadequate profits, Managing Director shall be paid the minimum remuneration as may be determined and such minimum remuneration shall not exceed the limit prescribed under Section II, Part II of Schedule V of the Companies Act, 2013.

**By the order of the Board of Directors**

Kamlesh M. Gagavani  
Company Secretary

#### REGISTERED OFFICE

Cama Building, 1<sup>st</sup> Floor,  
24/26, Dalal Street, Fort,  
Mumbai – 400 001

DATED: August 13, 2018.

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

The following is the Explanatory Statement as required by Section 102 of the Companies Act, 2013, sets out all material facts relating to Special Business mentioned in the Notice for convening the Annual General Meeting of the members of the Company:

#### ITEM NO. 5

The Nomination and Remuneration Committee of the Board pursuant to the provisions of Section 178 of the Companies Act, 2013, the Companies (Appointment and Qualifications of Directors) Rules, 2014 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 read with Schedule V to the Companies Act, 2013 and the applicable Regulation(s) of the Listing Regulations, have recommended re-appointment of Mr. Pradip R. Shroff as the Managing Director and Chief Executive Officer of the Company, for a period of five consecutive years with effect from 15<sup>th</sup> July 2018, subject to approval of the Members of the Company at the forthcoming Annual General Meeting.

If appointed, Mr. Pradip Shroff will attain the age of 70 years in the month of April 2021. Under the provisions of Section 196 (3) (a) of the Companies Act, 2013, the Company seeks consent of the members by way of special resolution for continuation of holding of existing office by Mr. Pradip Shroff after the age of 70 years during the currency of his term of appointment.

Except Mr. Pradip R. Shroff, none of the other Directors or key managerial personnel of the Company or their relatives are concerned or interested, in resolution No. 5. The Board therefore recommends the special resolutions for your approval. The term, remuneration and perquisites are given below:

- 1) Term of appointment: - Five years with effect from 15<sup>th</sup> July 2018.
- 2) Salary: 40,000/- (Rupees Forty thousand only) per month payable monthly. The annual increment will be decided by the Board of Directors of the Company.
- 3) Perquisites:
  - a. Contributions to Provident Fund, Superannuation Fund or Annuity Fund to the extent singly or taken together are not taxable under the Income Tax Act, 1961.
  - b. Gratuity payable at a rate not exceeding half a month's salary for each completed year of service; and
  - c. Encashment of Leave at the end of the tenure.
- 4) General:
  - a. The perquisites shall be valued in terms of the actual expenditure. However, where such actual expenditure cannot be ascertained, such perquisites shall be valued as per the Income Tax Rules.

- b. MD shall not be entitled to any sitting fees for attending the meetings of the Board or of the Committee(s) of which he is a Member.
- c. MD shall be subject to all other service conditions and employee benefit schemes, as applicable to any other employee of the Company.

#### Statement under Secretarial Standard on General Meetings (SS-2)

Mr. Pradip Shroff (aged 67 years) is a Commerce graduate (hons) from Mumbai University and Fellow Chartered Accountant (FCA). He was the Chief Executive Officer of the Company till 14<sup>th</sup> November 1988 and was appointed as Managing Director with effect from 15<sup>th</sup> November 1988. Since then Mr. Pradip Shroff was re-appointed as Managing Director on expiry of the appointed periods.

Mr. Pradip Shroff hold directorship in Deep Industrial Finance Limited, Mahimna Mercantile Credits Limited, Neptune Steel Strips Limited, Pearl Housing Finance Limited, Shriyam Auto-Fin Limited, Som Holdings & Trading Co. Pvt. Ltd. Traitrya Construction Finance Limited, Value Corp Securities and Finance Limited & Vishvakarma Equipment Finance Limited. He does not hold Committee Membership in other Companies. Brief profile of Mr. Pradip Shroff is also given in Annexure-A forming part of Notice.

The Board recommends Resolution No. 5 as a Special Resolution for approval by the Members of the Company at the forthcoming AGM.

**By the Order of the Board of Directors**

Kamlesh M. Gagvani  
Company Secretary

#### REGISTERED OFFICE

Cama Building, 1<sup>st</sup> Floor,  
24/26, Dalal Street, Fort,  
Mumbai – 400 001

DATED: August 13, 2018.

#### IMPORTANT NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/ HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. The instrument of Proxy should be deposited at the registered office of the Company not less than 48 hours before commencement of meeting.
3. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can

## V. B. Desai Financial Services Limited

submit their PAN details to the Company or Registrar and Transfer Agents of the Company.

4. Details of the Directors seeking appointment/ re-appointment at the Annual General Meeting, forms integral part of the notice and given in Annexure "A" to this notice.
5. Electronic copy of the Notice of the 32nd Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the 32nd Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.

Members may also note that the Notice of the 32nd Annual General Meeting and the Annual Report for 2017-18 will also be available on the Company's website [www.vbdesai.com](http://www.vbdesai.com) for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office in Mumbai for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's investor email id: [info@vbdesai.com](mailto:info@vbdesai.com)

### 6. Voting through electronic means

In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the 32nd Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services (India) Limited (CDSL):

**The instructions for shareholders voting electronically are as under:**

- (i) The voting period begins on 19<sup>th</sup> September 2018 at 10.00 am and ends on 21<sup>st</sup> September 2018 at 5.00 pm. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 15<sup>th</sup> September 2018 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iii) Click on Shareholders.

- (iv) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

	<b>For Members holding shares in Demat Form and Physical Form</b>
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li> <li>• In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>
Dividend Bank Details <b>OR</b> Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> <li>• If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</li> </ul>

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

- (xi) Click on the **EVSN 180813023** with Company name of V.B. Desai Financial Services Limited on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xvii) If a demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xix) Note for Non – Individual Shareholders and Custodians
- a. Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates. A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- b. After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- c. The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- d. A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- e. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- f. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to log on to [https:// www.evotingindia.co.in](https://www.evotingindia.co.in) and register themselves, link their account which they wish to vote on and then cast their vote. They should upload a scanned copy of the Board Resolution in PDF format in the system for the scrutinizer to verify the vote.
- g. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
7. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 15<sup>th</sup> September 2018.
8. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as physical ballot voting.
9. Mr. N. Hariharan of N. Hariharan and Company, Practicing Company Secretaries has been appointed as the Scrutinizer to scrutinize the physical voting and remote e-voting process in a fair and transparent manner.
- The Results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.vbdesai.com](http://www.vbdesai.com) and on the website of CDSL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited, Mumbai.
10. The Chairman shall, at the AGM, at the end of discussions on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "Polling Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
11. The Scrutinizer shall after the conclusion of voting at the AGM, will first count the votes cast at the meeting by polling papers and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the results of the voting forthwith.
- The Results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.vbdesai.com](http://www.vbdesai.com) and on the website of CDSL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited, Mumbai.



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12. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (11.00 am to 5.00 pm) on all working days except Saturdays, up to and including the date of the Annual General Meeting of the Company.
13. The Register of members and Share Transfer Books of the Company will be closed from 17th September 2018 to 21<sup>st</sup> September 2018 (both days inclusive).
14. Members are requested to please bring their copies of the Annual Report to the Meeting.

### ANNEXURE –A

Brief Profile / Disclosure Relating to Directors Re-appointed pursuant to Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards on General Meetings:

#### 1) Mrs. Rachana S. Vijayakar

DIN & Date of Birth	03317373 - 02/11/1969
Qualification	B.A
Experience in specific area	Mrs. Rachana Vijayakar is in Accounting profession having knowledge in Financial sector.
Directorship in other Companies	Pearl Housing Finance (I) Ltd. Vishvakarma Equipment Finance Ltd. Neptune Steel Strips Limited Afamado Fashions Pvt. Ltd. First Native Consultancy Pvt. Ltd.
Committee positions held in other Companies	Nil
No. of shares held in the Company	Nil

#### 2) Mr. Manoj T. Shroff

DIN & Date of Birth	00330560 - 10/10/1966
Qualification	B.Com
Experience in specific area	Has more than 28 years' experience in Financial consultancy, Investment Banking, and other related business.
Directorship in other Companies	Northstar Software Solutions Pvt. Ltd. Mahimna Mercantile Credits Ltd Archway Services Pvt. Ltd. Merican Funds Limited Elder IT Solutions Pvt. Ltd. Guru Holding Private Limited Pearl Housing Finance (I) Ltd.
Committee positions held in other Companies	Nil
No. of shares held in the Company	800

#### 3) Mr. Pradip R. Shroff

DIN & Date of Birth	00286291 - 19/04/1951
Qualification	B.Com (Hons), FCA
Experience in specific area	Mr. Pradip R. Shroff has more than 42 years' experience in Investment Banking and other related business.
Directorship in other Companies	Deep Industrial Finance Limited, Mahimna Mercantile Credits Limited, Neptune Steel Strips Limited, Pearl Housing Finance Limited, Shriyam Auto-Fin Limited, Som Holdings & Trading Co. Pvt. Ltd. Traitya Construction Finance Limited, Value Corp Securities and Finance Limited Vishvakarma Equipment Finance Limited
Committee positions held in other Companies	Nil
No. of shares held in the Company	4206

## DIRECTORS' REPORT

The Directors present their 32nd Annual Report on the business and operations of the Company and the financial accounts for the year ended on 31<sup>st</sup> March, 2018.

### FINANCIAL RESULTS

(Rs. In lakhs)

Particulars	For the year ended on 31/03/2018	For the previous year ended on 31/03/2017
Gross Income	145.46	115.91
Profit (before interest, depreciation & taxation)	25.17	17.33
Financial charges	0.10	1.37
Depreciation	3.37	3.14
Profit before profit	21.70	12.82
Provision for taxation for current year	7.79	3.18
Deferred Tax	(1.19)	(0.35)
Income tax of earlier years/ MAT credit	7.32	(3.82)
Other comprehensive income	0.17	(0.92)
Profit after adjustments	7.93	12.89
Profit/(Loss) carried to Balance Sheet	7.93	12.89
APPROPRIATIONS / TRANSFERS		
Profit/(loss) carried to Balance Sheet	7.93	12.89

### Dividend

Your Directors do not recommend any dividend on equity shares in view of in-adequacy of profit and working capital requirement.

### Performance review

During the year under review, earning of overall income has improved at Rs. 145.46 lakhs compared to Rs. 115.91 lakhs to previous year. However, during the year the net profit after tax, adjustments and Other comprehensive income/expenses under the Accounting Standard (Ind AS) applicable was Rs. 7.93 lakhs against Rs. 12.89 lakhs in previous year due to higher expenses incurred during the year.

The Company is mainly engaged in Merchant Banking activities viz. ESOP valuation, Company valuation, Advisory services and capital raising activities. There were no changes in nature of Company's business during the year.

**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

There were 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, 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.

### Details of significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future

There were no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.

### Internal control systems and their adequacy

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee of the Board and to the Chairman.

The management of the Company evaluates the efficiency and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies of the Company. Based on the assessment, the management undertakes corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and recommendations with corrective actions thereon are presented to the Audit Committee of the Board.

### Subsidiaries/ Joint Ventures

The Company does not have Subsidiary or Joint Ventures.

### Fixed deposit

The Company has not accepted deposits from Public and there were no outstanding deposits payable by the Company.

### Related Party Transactions

During the financial year ended 31<sup>st</sup> March 2018, all transactions with the Related Parties as defined under the Companies Act, 2013 read with Rules framed thereunder were in the ordinary course of business and at arm's length basis. Your Company does not have a 'Material Subsidiary' as defined under Regulation 16(1)(c) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ['Listing Regulations'].

During the year under review, your Company did not enter into any Related Party Transactions which require prior approval of the Members. The Members at their meeting held on 23<sup>rd</sup> September 2017 have given approval to the Directors of the Company to enter into transactions for Rs. 3 crores each with 2 Related Parties listed. All Related Party Transactions of your Company had prior approval of the Audit Committee

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and the Board of Directors, as required under the Listing Regulations. There has been no materially significant Related Party Transactions having potential conflict with the interest of the Company during the year under review.

All Related Party Transactions entered into by your Company were in the ordinary course of business and also on an arm's length basis, therefore details required to be provided in the prescribed Form AOC - 2 is not applicable to the Company. Necessary disclosures required under the Ind AS 24 have been made in Notes to the Financial Statements for the year ended on 31st March, 2018.

### **Auditors & auditor's report**

The Company's Auditors M/s. A.N. Damania & Co., Chartered Accountants will retire at the forthcoming annual General Meeting. As per Section 139(2) of the Companies Act, 2013, M/s. A.N. Damania & Co. has completed 5 years from the date of appointment. M/s. N. S. Shetty & Co., Chartered Accountants, are proposed to be appointed as new auditors for a period of 5 years from conclusion of this 32nd Annual General Meeting till conclusion of 37<sup>th</sup> Annual General Meeting subject to ratification by members every year, as may be applicable.

The Company has received a letter from them to the effect that their appointment, if made, would be within the provision prescribed limits under Section 141(3)(g) of the Companies Act, 2013 and that they are not disqualified for appointment. They have further confirmed that they are not disqualified to be appointed as statutory auditors in terms of the provisions of the proviso to Section 139(1), Section 141(2) and Section 141(3) of the Act and the provisions of the Companies (Audit and Auditors) Rules, 2014.

The Notes on Financial Statements referred to in the Auditor's Report are self-explanatory and do not call for any further comments.

### **Extract of Annual Return**

The details forming part of the extract of the Annual Return in form MGT-9 is annexed herewith as "Annexure -A".

### **Conservation of energy, technology absorption etc.**

The particulars of conservation of Energy, Technology, Absorption, foreign Exchange Earnings and outgo have not been given since the same are not applicable to the Company.

### **Corporate Social Responsibility Initiatives**

The Company does not come under the parameters specified under Section 135 of the Companies Act, 2013, hence no Committee has constituted Committee for Corporate Social Responsibility Initiatives.

### **Board of Directors, Board and Audit Committee Meetings:**

Your Company's Board is duly constituted and is in compliance with the requirements of the Companies Act, 2013, the Listing Regulations and provisions of the Articles of Association of the Company. During the year under review, a total of five

Meetings of the Board of Directors and four meetings of Audit Committee held and details of Meetings held during the financial year 2017-18 have been provided in the Corporate Governance Report which forms part of this Annual Report

Mrs. Rachana S. Vijayakar and Mr. Manoj T. Shroff Directors of the Company shall retire by rotation at the forthcoming Annual General Meeting and offer themselves for re-appointment. Mr. Pradip R. Shroff has been re-appointed by the Board as Managing Director & Chief Executive Officer for 5 years with effect from 15<sup>th</sup> July 2018. A brief profile along with necessary disclosures of retiring Directors and re-appointed Managing Director has been annexed to the Notice convening the ensuing AGM and forms an integral part of this Annual Report. Your Board recommends re-appointment of Mrs. Rachana S. Vijayakar and Mr. Manoj T. Shroff as a Directors liable to retire by rotation and Mr. Pradip R. Shroff as Managing Director & Chief Executive Officer of the Company.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed in Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the Listing Regulations and there is no change in their status of Independence.

### **Board Evaluation**

Pursuant to the provisions of the Companies Act, 2013 and provisions of Regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, the Board has carried out an evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit, Appointment & Remuneration and Stakeholder's Grievance Committees. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

### **Nomination and Remuneration Committee**

The Board has on the recommendation of the Appointment and 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.

### **Vigil Mechanism / Whistle Blower Policy**

The Company has established a vigil mechanism to be known as the "Whistle Blower Policy" for its Directors and employees to report instances of unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct. The aim of the policy is to provide adequate safeguards against victimization of whistle blower who avails of the mechanism and also provide direct access to the Chairman of the Audit Committee, in appropriate or exceptional cases.

The purpose of this policy is to provide a framework to promote responsible and secure whistle blowing. It protects employees willing to raise a concern about serious irregularities within the Company.

### Prevention of Insider Trading

The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company. The Code requires pre-clearance for dealing in the Company's shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. All the members of the Board and designated employees have confirmed compliance with the Code.

### Policy on prevention of sexual harassment of women at workplace

The Company has adopted a Policy under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules framed thereunder. Your Company is committed to provide a safe and secure environment to its women employees across its functions and other women stakeholders, as they are considered as integral and important part of the Organization.

An Internal Complaints Committee (ICC) with requisite number of representatives has been set up to redress complaints relating to sexual harassment, if any, received from women employees and other women associates. All employees (permanent, contractual, temporary, trainees) are covered under this policy, which also extends to cover all women stakeholders of the Company.

The following is a summary of sexual harassment complaints received and disposed off satisfactorily during the financial year ended March 31, 2018:

- Number of complaints received: Nil
- Number of complaints disposed off: Nil

### Particulars of loans, guarantees or investments

The Company has not given any loans or guarantees covered under the provisions of section 186 of the Companies Act, 2013. The details of the investments made by Company are given in the notes to the financial statements.

### Secretarial Audit

Pursuant to provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the Company has appointed Mr. N. Hariharan, Company Secretary in practice to undertake the Secretarial Audit of the Company. The Secretarial Audit report is annexed herewith as Annexure-B, which is self-explanatory.

### Risk Management Policy

Pursuant to Section 134(3) (n) of the Companies Act, 2013 and SEBI Listing Regulation the Company has constituted a business risk management committee. The details of the Committee and its terms of reference are set out in the corporate governance report forming part of the Board report. At present the Company has not identified any element of risk which may threaten the existence of the Company.

### Compliance with secretarial standards on board and

### general meetings

During the year under review, the Company has duly complied with the applicable provisions of the Secretarial Standards on Meetings of the Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India (ICSI)

### Corporate Governance

The Report on Corporate Governance along with a certificate of compliance from the Auditors and Management Discussion and Analysis Report forms part of this Report.

### Director's responsibility statement

The Board of Directors of your Company confirms that:

- a) in the preparation of the annual accounts, the applicable Accounting Standards have 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 have prepared the Annual Accounts on a going concern basis; and
- e) the Directors, have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.
- f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operative effectively.

### Particulars of employees

The Company did not have any employee falling within the purview of Section 197 of the Companies Act, 2013 and Rule 5(2) & 5 (3) of Companies (Appointment and Remuneration of Managerial Persons Rule 2014.

### ACKNOWLEDGEMENT

The Directors wish to place on record their sincere appreciation for the continued co-operation by the Clients and the Shareholders of the Company.

On behalf of the Board of Directors

Samir R. Dedhia

Chairman

PLACE: MUMBAI

DATE : August 13, 2018