

WESTERN INDIA COMMERCIAL COMPANY LIMITED

DIRECTORS' REPORT

TO THE SHAREHOLDERS

Your Directors have pleasure in presenting the 86th Annual Report and the Audited Statement of Accounts for the year ended 31st March, 2015.

FINANCIAL RESULTS:

	Year ended 31.03.2015 (₹)	Year ended 31.03.2014 (₹)
Profit Before Taxation	<u>11,966,290</u>	<u>16,534,837</u>
Less : Provision for Current Tax (MAT)	<u>1,150,000</u>	<u>2,030,000</u>
Tax relating to Prior years	<u>(62,864)</u>	<u>(39,387)</u>
Profit After Taxation	<u>10,879,154</u>	<u>14,544,224</u>
Add : Balance of Profit from Previous year	<u>29,779,849</u>	<u>18,144,470</u>
	<u>40,659,003</u>	<u>32,688,694</u>
APPROPRIATIONS :		
Transfer to Statutory Reserve (as per RBI Guidelines)	<u>2,175,831</u>	<u>2,908,845</u>
Transfer to General Reserve	<u>25,000,000</u>	<u>-</u>
Balance Carried to Balance Sheet	<u>13,483,172</u>	<u>29,779,849</u>
	<u>40,659,003</u>	<u>32,688,694</u>

DIVIDEND:

To further strengthen the financial position of the Company and to conserve resources your Directors have decided not to recommend dividend for the year ended 31st March, 2015.

SHARE CAPITAL

The paid-up equity capital of the Company as on 31st March, 2015 was ₹18 Lac. During the year under review, the Company has not issued any shares.

TRANSFER TO RESERVES

The Board proposes to transfer ₹21.76 Lac to Reserve Fund pursuant to RBI Guidelines, ₹250 Lac to the General Reserve out of the amount available for appropriations and an amount of ₹134.83 Lac is proposed to be retained in the Profit and Loss Account.

REVIEW OF OPERATIONS AND STATE OF COMPANY'S AFFAIRS

Total income during the year under review amounted to ₹145.34 Lac as against ₹168.53 Lac in the preceding year. Profit after tax stood at ₹108.79 Lac as against ₹145.44 Lac in the previous year.

The Company continues to remain registered as a Non-Banking Financial Company with the Reserve Bank of India.

No material changes and commitments have occurred after the close of the year till the date of this report, which affect the financial position of the Company.

PUBLIC DEPOSITS

The Company has not accepted any deposit from the public during the year.

PARTICULARS OF LOANS AND GUARANTEES

The Company being a Non-Banking Financial Company registered under Chapter IIIB of the Reserve Bank of India Act, 1934 (2 of 1934) provisions of Section 186 of the Companies Act, 2013 are not applicable to the Company.

CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

During the period under review, the Company had not entered into any materially significant transactions with any of its related parties falling within the ambit of Section 188 of the Companies Act, 2013. The transactions disclosed in Note No.17 of the Financial Statements with the key managerial personnel pursuant to the requirement of AS-18 relate to payment of remuneration in the ordinary course of business and are intended to further the Company's business interests. Hence the requirement of disclosure in this Report as per provisions of the said Section 188 is not applicable.

INTERNAL FINANCIAL CONTROL

The Company has in place adequate internal control procedures commensurate with its size and nature of its business. The Company has appointed internal auditors who review the internal financial control system. The Audit Committee reviews the reports of the internal auditors and ensures implementation of their suggestion and improvement. During the year, no reportable material weakness in the design or operation was observed.

RISK MANAGEMENT

The main identified risks at the Company are Commercial Risks, Financial Risks, Operational Risks and Legal & Regulatory Risks. The Risk Management is overseen by the Audit Committee of the Company on a continuous basis. Your Company has established process and policies to ensure that risk to the Company's continued existence as a going concern and to its development are identified and addressed on timely basis.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

In accordance with the provisions of the Companies Act, 2013 and the Company's Articles of Association, Shri Jagdish Prasad Mundra (DIN:00630475) and Shri Subhash Jajoo (DIN:00429371), Directors of the Company retire by rotation and being eligible offer themselves for re-appointment.

During the year under review, Shri Babu Lal Surana was appointed as Independent Director of the Company for a period of five years, not liable to retire by rotation.

The Company has received declarations from both the Independent Directors confirming that they meet the criteria of Independence as prescribed under the Companies Act, 2013. The Company has practice of conducting familiarisation program for the independent directors.

Smt. Raj Kamal Devi Bangur was appointed as an Additional Director on 4th February, 2015 to hold office upto the date of forthcoming Annual General Meeting (AGM) of the Company and is eligible for appointment as Director.

Shri Pankaj Sureka was appointed Manager and Chief Financial Officer of the Company.

The Board recommends their appointment / re-appointment and accordingly resolutions seeking approval of the members for their appointments have been included in the Notice of forthcoming Annual General Meeting of the Company along with their brief profile.

BOARD EVALUATION

The performance evaluation of the Board, its Committees and Individual Directors was conducted after seeking inputs from all directors on the basis of criteria such as the composition and structure, effectiveness of processes, functioning etc.

The Independent Directors held a separate meeting, which reviewed the performance of non-independent directors and the Board as a whole, took into account the views of non-executive directors and to assess the quality, quantity and timeliness of flow of information between the management and the Board. The Independent Directors were satisfied with the performance of the Board as a whole and timeliness of flow of information.

Some of the key criteria for performance evaluation are as follows:-

Performance evaluation of Directors:

- Attendance at Board or Committee meetings.
- Contribution at Board or Committee meetings.
- Guidance / support to management outside the Board / Committee meetings.

Performance evaluation of Board and Committees:

- Degree of fulfillment of key responsibilities
- Board structure and composition
- Establishment and delineation of responsibilities to Committees
- Effectiveness of Board processes, information and functioning
- Board culture and dynamics
- Quality of relationship between Board and Management
- Efficacy of communication with external shareholders.

AUDITORS AND AUDITORS' REPORT

M/s Naresh Lakhota & Co., Chartered Accountants having Firm Registration No.322224E, who are Statutory Auditors of the Company, hold office till the conclusion of the ensuing Annual General Meeting (AGM) and are eligible for re-appointment. Pursuant to the provisions of section 139 of the Companies Act, 2013 and the Rules framed thereunder, members are required to ratify the appointment of M/s Naresh Lakhota & Co., who had been appointed as statutory auditors for a period of 3 years in the year 2014 at the AGM subject to members approval at every AGM, as Statutory Auditors of the Company from the conclusion of the ensuing AGM till the conclusion of the next AGM and to fix their remuneration.

The Company has received a certificate from M/s Naresh Lakhota & Co. to the effect that their re-appointment, if made, would be in accordance with the provisions of section 141 of the Companies Act, 2013 and that they are not disqualified from being re-appointed as auditors.

The report of the Auditors is self-explanatory and does not call for any further comments.

SECRETARIAL AUDIT REPORT

The Secretarial Audit for the financial year 2014-15 has been conducted by Shri Mukesh Chaturvedi, Practising Company Secretary. The Secretarial Audit Report for the financial year ended 31st March, 2015 is annexed to this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark requiring explanation or clarification from the Board except for comment of not having a Company Secretary. The Company has not been able to appoint a Company Secretary so far fitting in its overall criteria and is on look out for a suitable candidate for the post.

MEETINGS OF THE BOARD

Six meetings of the Board and One meeting of Independent Directors were held during the year. The intervening gap between the meetings of the Board was within the period prescribed under the Companies Act, 2013.

AUDIT COMMITTEE

The Audit Committee was constituted by the Board of Directors and comprises Independent Directors namely Shri Ram Narain Mundhra (Chairman) and Shri Babu Lal Surana and Shri Subhash Jajoo as other member.

VIGIL MECHANISM

Pursuant to the provisions of Section 177 of the Companies Act, 2013, the Company has established a 'VIGIL MECHANISM' for Directors and Employees to report concerns of unethical behavior, actual or suspected, or violation of Company's ethics policy and provide safeguards against victimization of employees.

NOMINATION & REMUNERATION COMMITTEE

The Nomination & Remuneration Committee was constituted by the Board of Directors consisting of two Independent Directors namely Shri Ram Narain Mundhra and Shri Babu Lal Surana and one Non-Executive Director namely Shri Jagdish Prasad Mundra.

REMUNERATION POLICY

The Board in consultation with the Nomination & Remuneration Committee has framed a Policy for selection and appointment of Directors, Senior Management including criteria for determining qualifications, positive attributes and independence of a director which is annexed hereto and forms part of this Report and Policy relating to remuneration for the directors, key managerial personnel and other employees is also annexed hereto and forms part of this Report.

EXTRACT OF ANNUAL RETURN

The extract of Annual Return as provided under Section 92(3) of the Companies Act, 2013 is annexed hereto in the prescribed form and forms part of this Report.

SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS

There are no significant & material orders passed by the Regulators / Courts / Tribunals which would impact the going concern status of the Company and its future operations.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement of Section 134(5) of the Companies Act, 2013, the Board of Directors of the Company hereby state and confirm that:

- i) in preparation of the Annual Accounts for the financial year 2014-15, the applicable accounting standards have been followed alongwith 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 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 Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) they have prepared the Annual Accounts for the period ended 31st March, 2015 on a going concern basis;
- v) they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating properly;
- vi) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Provisions relating to Corporate Social Responsibility (CSR) are not applicable to the Company since it does not fulfill the criteria specified in Section 135(1) of the Companies Act, 2013 read with the rules framed thereunder.

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

None of the employees is drawing remuneration in excess of the limits set out in Rule 5(2) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 appended to the Companies Act, 2013.

Disclosure pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 is annexed hereto forming part of this report.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO

Since the Company has no manufacturing activity, particulars relating to Conservation of Energy and Technology Absorption stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of Companies (Accounts) Rules, 2014, are not applicable.

There were no foreign exchange earnings and outgo during the year.

ACKNOWLEDGEMENTS

The Directors place on record their appreciation for the support the Company continues to receive from its Bankers and Shareholders and acknowledge the valuable contribution from the employees of the Company.

For and on behalf of the Board

Place: Kolkata
Dated: 30th May, 2015

(S.K. RATHI) **(J.P. MUNDRA)**
DIN:00407277 DIN:00630475
Directors