

SUPERNOVA ADVERTISING LIMITED

ANNUAL REPORT 2018-19

CORPORATE INFORMATION

Board of Directors

Mr. Vikash Kumar Singh
Mr. Naveen Jangid
Ms. Nikita Jangid
Mr. Yogesh Kumar Rawal
Mr. Manish Agarwal

Managing Director & CFO
Independent Director
Independent Director
Independent Director
Whole Time Company Secretary

Statutory Auditors

M/s. SDA & Associates
Chartered Accountant
38, 9/15, 1st Floor, Murarji Velji Dr. M B Velkar Street
Kalbadevi Road, Mumbai-400002, Maharashtra

Bankers

HDFC Bank
Indusind Bank

Registrar & Share Transfer Agent

M/S Skyline Financial Services Private Limited
4A9 Gundecha Onclave, Kherani Road
Sakinaka, Mumbai-400072, Maharashtra
Ph: 022-6221 5779/2851 1022; Fax: 011-2681 2683
Email: mumbai@skylinerta.com

Registered Office

306, Kedia Chamber, S V Road, Malad West
Opp Bank of Baroda Mumbai- 400091
Phone: 022 4013 1658
Email Id: info@supernovaads.com

11th Annual General Meeting

Day, Date & Time	Friday, September 27, 2019 at 12:30 pm.
Venue	The Veg Treat Royale, Mayur Tower, Junction of Chandavarkar Road & Eksar Road, Borivali (West), Mumbai- 400092, Maharashtra

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DIRECTOR'S REPORT

TO THE MEMBERS

SUPERNOVA ADVERTISING LIMITED

Your Directors have pleasure in presenting the Eleventh (11th) Annual Report of **Supernova Advertising Limited** (hereinafter referred to as "the Company"), along with the Audited Accounts of your Company for the Financial Year ended March 31, 2019. The Financial performance of your Company during the Financial Year ended March 31, 2019, as compared to the previous financial year are summarised below:

(Rs. in Lakhs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Total Income	5187.77	5798.61
Less: Total Expenditure	5175.77	5805.15
Profit/(Loss) before Taxation	12.00	(6.54)
Less: Tax Expense	3.06	0.05
Profit/(Loss) for the period	8.94	(6.59)
Add: Brought forward from previous year	0.55	7.14
Surplus/(Deficit) carried to Balance Sheet	9.49	0.55

Financial Performance

The Company's total income during the year stood at Rs. 5187.77 Lakhs, as compared to Rs. 5798.61 Lakhs in the previous year. The Company's profit before tax is Rs. 12 Lakhs during the year, as compared to a loss of Rs. 6.54 Lakhs in the previous year. The Company earned a net profit of Rs. 8.94 Lakhs, as against a net loss of Rs. 6.59 Lakhs in the previous year.

As mandated by Ministry of Corporate Affairs, the financial statements for the year ended on March 31, 2019 has been prepared in accordance with the Indian Accounting Standards (IND AS) notified under Section 133 of the Companies Act, 2013, read with the Companies (Accounts) Rules, 2014. The estimates and judgements relating to the Financial Statements are made on a prudent basis, so as to reflect in a true and fair manner, the form and substance of transactions and reasonably present the Company's state of affairs, profits and cash flows for the year ended March 31, 2019.

The Company discloses standalone unaudited financial results on half yearly basis, which are subjected to limited review, and standalone audited financial results on an annual basis.

Dividend

Your Directors did not recommend any dividend to its shareholders for the financial year 2018-19, keeping in mind various financials and business plans of the Company.

Amounts proposed to carry to the reserves

The Company has not transferred any amount out of the profit earned to reserve account during the year under review. The entire profit earned during the year under review is being carried forward under Profit & Loss Account.

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

There have been no material changes and commitments, affecting the financial position of the company which have occurred between the end of the financial year of the company to which the financial year relate and the date of this report.

Significant/Material orders passed by the regulators

There were no significant material orders passed by the Regulators or Courts or Tribunals impacting the going concern status of the Company and its operations in future.

Risk Management and adequacy of Internal Financial Controls

The Company's Internal Control Systems are commensurate with the nature, size and complexity of its business and ensure proper safeguarding of assets, maintaining proper accounting record and providing reliable financial information. Your Company's Internal Control ensures that all assets of the Company are safeguarded and protected, proper prevention and detection of frauds and errors and all transactions are authorized, recorded and reported appropriately.

Your Company has an adequate system of internal financial controls commensurate with its size and scale of operations, procedures and policies, ensuring orderly and efficient conduct of its business, including adherence to the Company's policies, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of accounting records, and timely preparation of reliable financial information.

Such practice provides reasonable assurance that transactions are recorded as necessary to permit preparation of Financial Statements in accordance with the applicable legislations. Your Company also monitors through its Internal Audit Team the requirements of processes in order to prevent or timely detect unauthorized acquisition, use or disposition of the Company's Assets which could have a material effect on the Financial Statements of the Company. The Internal Audit function is responsible to assist the Audit Committee on an independent basis with a complete review of the risk assessments and associated management action plans.

During the year under review, the Internal Financial Control Audit was carried out by the Statutory Auditors, the Report of which is forming part of this Annual Report.

Deposits

During the year under review, the Company has not accepted any deposit within the meaning of Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014.

Statutory Auditors

In terms of the provisions of Section 139 of the Companies Act, 2013 read with provisions of the Companies (Audit and Auditors) Rules, 2014 as amended, M/s SDA & Associates, Chartered Accountants (FRN: 120759W), Mumbai, was appointed as the Auditors of the Company for a consecutive period of 5 (Five) years from the conclusion of the 9th Annual General Meeting held in the year 2017 until conclusion of the 14th Annual General Meeting scheduled to be held in the year 2022.

The Members may note that consequent to the changes made in the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 by the Ministry of Corporate Affairs (MCA) vide notification dated May 7, 2018, the proviso to Section 139(1) of the Companies Act, 2013 read with explanation to sub-rule 7 of Rule 3 of the Companies (Audit and Auditors) Rules, 2014, the requirement of ratification of appointment of Auditors by the Members at every AGM has been done away with. Therefore, the Company is not seeking any ratification of appointment of M/s SDA & Associates, Chartered Accountants, as the Statutory Auditors of the Company, by the members at the ensuing Annual General Meeting.

Your Company has received a Certificate from M/s SDA & Associates, Chartered Accountants, confirming their eligibility to continue as Auditors of the Company in terms of provisions of Section 141 of the Companies Act, 2013 and the rules made thereunder. They have also confirmed that they hold a valid certificate issued by the Peer Review Board of the ICAI as required under the provisions of Regulation 33 of Listing Regulations. The Auditors' Report does not contain any qualification, reservation or adverse remark or disclaimer.

Secretarial Auditor

In terms of Section 204 of the Companies Act, 2013, read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the Company had appointed Ms. Kavita Raju Joshi, Practicing Company Secretary (Certificate of Practice No. 8893), as the Secretarial Auditor.

The Secretarial Audit Report for the financial year ended March 31, 2019 is annexed herewith as **[Annexure-A]** to this report.

Details of Subsidiary/ Joint Ventures/Associate Companies

During the year under review, the Company has divested its entire shareholding in M/s Athang Cloth Private Limited (with effect from 01/04/2018). Consequently, the Company ceased to be a Subsidiary of our Company.

As on March 31, 2019 the Company does not have any Subsidiary/Joint Venture/ Associate Companies as per the provisions of the Companies Act, 2013.

Share Capital

The Authorised Share Capital of your Company stands at Rs. 11,00,00,000/- divided into 1,10,00,000 Equity shares of Rs. 10/- each. At present the Issued, Subscribed and Paid Up Share Capital of the Company is Rs. 10,21,32,000/- divided into 1,02,13,200 Equity Shares of Rs. 10/- each. During the year under review, the Company has not issued any shares.

Extract of Annual Return

The extract of Annual Return is prepared in Form MGT-9 as per the provisions of the Companies Act, 2013 and Rule 12 of the Companies (Management and Administration) Rules, 2014 and the same is annexed herewith as **[Annexure-B]** to this Report.

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

a) Particulars of Conservation of Energy, Technology Absorption

The Provisions of Section 134(m) of the Act relating to conservation of energy and technology absorption do not apply to this Company as the Company has not carried out any manufacturing activities.

b) Foreign Exchange Earnings and Outgo

During the year under review there was no foreign exchange outgo nor was any foreign exchange earned.

Directors and Key Managerial Personnel

The Company has a duly constituted Board of Directors which is in compliance with the requirements of the Companies Act, 2013, schedules thereto and rules framed there under and also in terms of the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and provisions of the Articles of Association of the Company.

i. Declaration by Independent Directors

All the Independent Directors have given a declaration that they meet the criteria of Independence as laid down under Section 149(6) of the Companies Act, 2013 read with the rules made there under and as per Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015. In the opinion of the Board, they fulfil the conditions of Independence as specified in the Act and the rules made there under.

ii. Non-Independent Director

A brief profile of the above Director seeking appointment/re-appointment required as per Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 will be provided in the Notice of Annual General Meeting of the Company.

None of the Directors of the Company are disqualified for being appointed as Directors, as specified in Section 164 (2) of the Companies Act, 2013 and rule 14(1) of the Companies (Appointment and Qualification of Directors) Rules, 2014.

iii. Changes in Directorship/Key Managerial Personnel during the year

Mr. Naveen Jangid (DIN: 07034357) & Mr. Kamleshkumar Sohanlal Mali (DIN: 07034361) were appointed as Director of the Company with effect from August 08, 2018 by the Board of Directors of the Company.

Mr. Vijay Kumar Saini (DIN: 06782120) & Mr. Jayprakash Kumawat (DIN: 07208761) resigned from the Directorship of the Company with effect from August 08, 2018.

The Board places on record their sincere appreciation and gratitude for the assistance and guidance provided by them during their tenure as Directors of the Company.

iv. Familiarisation Programme undertaken for Independent Directors

The Independent Directors are familiarised with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc. On appointment, the Independent Director is issued a Letter of Appointment setting out in detail, the terms of appointment, duties, responsibilities and expected time commitments. The Director is also explained in detail the various compliances required from him/her as a Director under the various provisions of the Companies Act, 2013, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015. The details of familiarisation programme are available on the website of the Company viz. www.supernovaads.com.

Annual Evaluation of Board's performance

Your Company understands the requirements of an effective Board Evaluation process and accordingly conducts a Performance Evaluation every year in respect of the following:

- i. Board of Directors as a whole;
- ii. Committees of the Board of Directors;
- iii. Individual Directors including the Chairman of the Board of the Directors.

In compliance with the requirements of the provisions of Section 178 of the Companies Act, 2013, the Listing Regulations and the Guidance Note on Board Evaluation issued by SEBI in January 2017, your Company has carried out a Performance Evaluation for the Board / Committees of the Board / Individual Directors including the Chairman of the Board of Directors for the financial year ended March 31, 2019. The key objectives of conducting the Board Evaluation were to ensure that the Board and various Committees of the Board have appropriate composition of Directors and they have been functioning collectively to achieve common business goals of your Company. Similarly, the key objective of conducting performance evaluation of the Directors through individual assessment and peer assessment was to ascertain if the Directors actively participate in Board Meetings and contribute to achieve the common business goal of the Company.

The Directors carry out the aforesaid Performance Evaluation in a confidential manner and provided their feedback. Duly completed feedback were sent to the Chairman of the Board and the Chairman / Chairperson of the respective Committees of the Board for their consideration. The Performance Evaluation feedback of the Chairman was sent to the Chairperson of the Nomination and Remuneration Committee.

The Nomination and Remuneration Committee forwarded their recommendation based on such Performance Evaluation to the Board of Directors. All the criteria of Evaluation as envisaged in the SEBI Circular on 'Guidance Note on Board Evaluation' had been adhered to by your Company.

The Board of Directors

a. Composition and Category of Directors

Your Company's Board is duly constituted and is in compliance with the requirements of the Companies Act, 2013, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 and provisions of the Articles of Association of the Company. Your Board has been

constituted with requisite diversity, wisdom and experience commensurate to the scale of operations of your Company. The Company has a judicious combination of Executive and Non-Executive Directors. As on March 31, 2019. The Board has an appropriate mix of knowledge, wisdom and varied industry experience to guide the Company in achieving its objectives in a sustainable manner. The Board comprised of Four (4) Directors out of which One (1) is Executive Director and Three (3) are Independent Directors. The Chairman of the Board is Executive Director.

The details of each member of the Board along with the number of Directorship/Committee Membership are given below:

Name	Category of Director	Directorship in other Public Limited Companies	No. of Board Committees in which Chairman/ Member	
			Chairman	Member
Mr. Bhanukumar Arvind Goyal	Managing Director	-	-	-
Mr. Naveen Jangid	Independent Director	-	-	-
Ms. Nikita Jangid	Independent Director	-	-	-
Mr. Yogesh Kumar Rawal	Independent Director	-	-	-

Notes:

1. Mr. Naveen Jangid (DIN: 07034357) was appointed as Independent Director of the Company with effect from August 08, 2018.
2. Mr. Yogesh Kumar Rawal (DIN: 06776726) was appointed as Independent Director of the Company with effect from January 09, 2019.
3. Directorships exclude Private Limited Companies, Foreign Companies and Section 8 Companies.
4. Chairmanship/Membership of Committee only includes Audit Committee and Stakeholder Relationship Committee in other Public Limited Company. Members of the Board of the Company do not have membership of more than ten Board-level Committees or Chairman of more than five such Committees.

Number of Meetings of the Board of Directors

The Board meets at regular intervals to discuss and decide on business strategies/policies and review the financial performance of the Company. The notice and detailed agenda along with the relevant notes and other material information are sent in advance separately to each Director and in exceptional cases tabled at the Meeting with the approval of the Board. This ensures timely and informed decisions by the Board. The Board reviews the performance of the Company vis-à-vis the budgets/targets. The necessary quorum was present for all the meetings.

In the Financial Year 2018-2019, the Board met Six (6) times. The details of Board Meetings held during the year are listed below. The interval between two Meetings was well within the maximum period mentioned under Section 173 of the Companies Act, 2013 and as per Regulation 17(2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Sl. No	Date of Board Meeting	Total strength of the Board	No. of director present
1.	30.05.2018	4	4
2.	08.08.2018	4	4
3.	23.08.2018	4	4
4.	14.11.2018	4	4
5.	09.01.2019	4	4
6.	12.03.2019	4	4

Attendance at aforesaid Board Meetings, at last Annual General Meeting of each of the Directors as on March 31, 2019 is given below:

Name of the Director	Category of Directorship	Attendance at the Board Meeting(s)		Attendance at last AGM
		Held	Attended	
Mr. Bhanukumar Arvind Goyal	Wholetime Director	6	6	Yes
Ms. Nikita Jangid	Independent Director	6	6	Yes
Mr. Naveen Jangid	Independent Director	6	6	Yes
Mr. Yogesh Kumar Rawal	Independent Director	6	2	NA

Notes:

1. Mr. Vijay Kumar Saini (DIN: 06782120) & Mr. Jayprakash Kumawat (DIN: 07208761) resigned from the Directorship of the Company with effect from August 08, 2019.
2. Mr. Naveen Jangid (DIN: 07034357) was appointed as Director of the Company with effect from August 08, 2019.
3. Mr. Yogesh Kumar Rawal (DIN: 06776726) was appointed as Director of the Company with effect from January 09, 2019.
4. Mr. Vikash Kumar Singh (DIN: 08438514) was appointed as Managing Director and Chief Financial Officer (CFO) of the Company with effect from May 02, 2019.

Meeting of Independent Director

In compliance with the requirements of Schedule IV to the Companies Act, 2013 read with Regulation 25 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, a separate meeting of the Independent Directors was held on March 12, 2019, where all the Independent Directors were present. The Independent Directors discussed inter alia, to:

- Evaluate performance of Non-Independent Directors and the Board of Directors as a whole;
- Evaluate 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 timeliness of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

Appointment and tenure of Directors

The Directors of the Company are appointed by the Members at the General Meetings. Generally, the Managing Director and Whole-time Directors (Executive Directors) are appointed for a period of five years. Other than Managing Director and Independent Directors, not less than two-thirds of the total number of

Directors are liable to retire by rotation, out of which one-third shall retire at every AGM and if eligible, may seek approval from the Members for their re-appointment.

In terms of the provisions of Section 149 of the Companies Act, 2013 and Rules framed thereunder, the Independent Directors of the Company were appointed for a period of five years by the Members of the Company at the General Meetings.

A formal letter of appointment setting out the terms and conditions of appointment, roles and functions, responsibilities, duties, fees and remuneration, liabilities, resignation / removal, etc., as specified under Schedule IV to the Companies Act, 2013 has been issued to each of the Independent Directors subsequent to obtaining approval of the Members to their respective appointments. The terms and conditions of such appointment of the Independent Directors are also made available on the website of the Company at www.supernovaads.com.

In compliance with Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 read with the Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India (ICSI), the required information about the Directors proposed to be appointed / re-appointed will be provided in the Notice calling Annual General Meeting.

Committees of the Board

The Company has constituted/re-constituted various Board level committees in accordance with the requirements of Companies Act, 2013. Details of all the above Committees along with the composition and meetings held during the year under review are provided below.

Audit Committee

The Board of Directors of the Company has constituted an Audit Committee of the Board in terms of the requirements of Section 177 of the Companies Act, 2013 and Rules framed thereunder read with Regulation 18 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015. The Audit Committee of the Company meets every quarter and inter alia, to review the financial results for the half yearly/yearly ended before the same are approved at Board Meetings, pursuant to Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015. The Audit Committee may also meet from time to time, if required.

Audit Committee of the Board of Directors ("the Audit Committee") is entrusted with the responsibility to supervise the Company's internal controls and financial reporting process. The composition, quorum, powers, role and scope are in accordance with Section 177 of the Companies Act, 2013 and the provisions of Regulation 18 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. All members of the Audit Committee are financially literate and bring in expertise in the fields of Finance, Taxation, Accounts, etc. It functions in accordance with its terms of reference that defines its authority, responsibility and reporting function.