

**51<sup>st</sup> Annual Report**  
**2014-15**



**Vardhmān**

**Vardhmān Holdings Limited**

**BOARD OF DIRECTORS**

MR. SHRI PAUL OSWAL	<i>Chairman</i>
MR. CHAMAN LAL JAIN	
MR. JAGDISH RAI SINGAL	} <i>Independent Directors</i>
MR. SURINDER SINGH BAGAI	
MR. SAT PAL KANWAR	
MRS. APINDER SODHI	
MR. OM PARKASH SHARMA	
MR. SACHIT JAIN	
MRS. SUCHITA JAIN	
MRS. SHAKUN OSWAL	<i>Executive Director</i>

**CHIEF FINANCIAL OFFICER**

MS. POORVA BHATIA

**COMPANY SECRETARY**

MS. TANU BERRY

**AUDITORS**

M/S. R. DEWAN &amp; COMPANY

**REGISTRAR AND TRANSFER AGENT**M/S. ALANKIT ASSIGNMENTS LIMITED  
NEW DELHI**REGISTERED OFFICE**

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 Phones: (0161) 2228943-48  
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 Website: [www.vardhman.com](http://www.vardhman.com)  
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**CIN** : L17111PB1962PLC002463  
**PAN** : AABCV8088P

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## NOTICE

NOTICE is hereby given that the 51<sup>st</sup> Annual General Meeting of the Members of the Company will be held on Friday, the 4<sup>th</sup> day of September, 2015 at 05.00 p.m at Regd. Office, Vardhman Premises, Chandigarh Road, Ludhiana - 141 010 to transact the following business:-

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Directors' Report and Audited Balance Sheet as at 31<sup>st</sup> March, 2015 and statement of Profit & Loss for the year ended on that date together with the Auditors' Report thereon.
2. To declare Dividend.
3. To appoint a Director in place of Mrs. Suchita Jain, who retires by rotation and being eligible, offers herself for reappointment.
4. To ratify the appointment of Statutory Auditors of the Company and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:-**

**"RESOLVED THAT** pursuant to the provisions of Section 139(1) of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, the appointment of M/s. R. Dewan & Co, Chartered Accountants, (Registration No. 017883N) as Statutory Auditors of the Company, be and is hereby ratified for the financial year 2015-16 at such remuneration as may be finalised by the Chairman of the Company."

**BY ORDER OF THE BOARD**

**Sd/-**

**PLACE: Ludhiana**

**(Tanu Berry)**

**DATE: May 23, 2015**

**COMPANY SECRETARY**

### **NOTES:**

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING THE PROXY, IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING. THE BLANK PROXY FORM IS ENCLOSED.**

However, a person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company.

2. In compliance with Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014, substituted by Companies (Management and

Administration) Amendment, Rules 2015, and Clause 35B of the Listing Agreement, the Company has provided a facility to the members to exercise their votes electronically through the electronic voting service facility arranged by Central Depository Services (India) Limited. The facility for voting, through ballot paper, will also be made available at the AGM and the members attending the AGM who have not already cast their votes by remote e-voting shall be able to exercise their right at the AGM through ballot paper. Members who have cast their votes by remote e-voting prior to the AGM may attend the AGM but shall not be entitled to cast their votes again. The instructions for e-voting are annexed to the Notice.

3. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified true copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
4. Members are requested to bring their attendance slip along with their copy of Annual Report to the Meeting.
5. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
6. The Company has transferred the unpaid or unclaimed dividends declared up to financial years 2006-07, from time to time on due dates, to the Investor Education and Protection Fund (the IEPF) established by the Central Government. Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 25<sup>th</sup> September, 2014 (date of last Annual General Meeting) on the website of the Company ([www.vardhman.com](http://www.vardhman.com)), as also on the website of the Ministry of Corporate Affairs.
7. Subject to the provisions of Section 126 of the Companies Act, 2013 (corresponding to Section 206A of the Companies Act, 1956), dividend as recommended by the Board of Directors, if declared at the meeting, will be dispatched/remitted commencing on or from 7<sup>th</sup> September, 2015.
8. 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 their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company / Alankit Assignments Limited.
9. **The Register of Members and the Share Transfer Books of the Company shall remain closed from 7<sup>th</sup> August, 2015 to 4<sup>th</sup> September, 2015 (both days inclusive).**
10. The Members holding shares in physical mode are requested

to notify the change in their address, if any, at the earliest to the Registrar & Transfer Agent/Company. However members, holding shares in electronic mode may notify the change in their address, if any, to their respective Depository Participants.

11. The information pursuant to Corporate Governance Clause of the Listing Agreement(s) regarding the Directors seeking appointment/re-appointment in the Annual General Meeting as proposed in Item No. 3 of the Notice is also being annexed hereto separately and forms part of the Notice.
12. Members desiring any information, as regards Accounts, are requested to write to the Company at its Registered Office at least 10 days before the date of Annual General Meeting so as to enable the management to keep the information ready.
13. The copies of relevant documents can be inspected at the Registered Office of the Company on any working day between 10.30 A.M. to 12.30 P.M.
14. **Members who have not registered their e-mail addresses so far, are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.**
15. Members holding shares in the same/identical name(s) under different folios are requested to apply for consolidation of such folios and send relevant share certificates to the Company/Registrar and Transfer Agent.
16. M/s. Khanna Ashwani & Associates, Company Secretaries, have been appointed as the scrutinizer to scrutinize the e-voting process in a fair and transparent manner (including the ballot forms received from members who do not have access to the e-voting process). The scrutinizer shall within a period of three working days from the conclusion of e-voting period, unblock the votes in presence of at least two witnesses not in employment of the Company and make a report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.

The instructions for shareholders voting electronically are as under:

- (i) The e-voting period commences on 1<sup>st</sup> September, 2015 (9:00 am) and ends on 3<sup>rd</sup> September, 2015 (5:00 pm). During this period, shareholder's of the Company, holding shares either in physical form or in Dematerialized form, as on the cut-off date of 27<sup>th</sup> August, 2015 may cast their votes electronically. The e-voting module shall be disabled by CDSL for voting after end of voting period on 3<sup>rd</sup> September, 2015. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently. 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) during the voting period

- (iii) Click on "Shareholders" tab.
- (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:

For Members holding shares in Demat Form and Physical Form	
<b>PAN</b>	<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>
<b>DOB</b>	<p>Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.</p>
<b>Dividend Bank Details</b>	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> <li>Please enter the DOB or Dividend Bank Details in order to login. If 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 no. (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 **150801001<VARDHMAN HOLDINGS 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 out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xvii) If Demat account holder has forgotten the same 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) Note for Institutional Shareholders
- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to **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**.
  - After receiving the login details, they have to create compliance user using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
  - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts, they would be able to cast their vote.
  - 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.
- (xix) 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** under help section or write an email to **helpdesk.evoting@cdslindia.com**
- MEMBERS HOLDING EQUITY SHARES IN ELECTRONIC FORM, AND PROXIES THEREOF, ARE REQUESTED TO BRING THEIR DP ID AND CLIENT ID FOR IDENTIFICATION.**

**INFORMATION PURSUANT TO THE CORPORATE GOVERNANCE CLAUSE OF THE LISTING AGREEMENT(S) REGARDING DIRECTORS SEEKING RE-APPOINTMENT IN THE ENSUING ANNUAL GENERAL MEETING:**

Name of the Director	Mrs. Suchita Jain
Date of Birth	20.03.1968
Date of Appointment	30.03.2005
Expertise in specific functional area Qualification	Mrs. Suchita Jain is having business experience of more than 22 years in Textiles Industry. M. Com.
Directorships of Other Companies	<ol style="list-style-type: none"> <li>1. Syracuse Investment &amp; Trading Co. (P) Ltd.</li> <li>2. Srestha Holdings Limited.</li> <li>3. Anklesh Investments (P) Limited.</li> <li>4. Pradeep Mercantile Co. (P) Ltd.</li> <li>5. Plaza Trading Co. (P) Ltd.</li> <li>6. Marshall Investment and Trading Co. Pvt. Ltd.</li> <li>7. Santon Finance and Investment Company Limited.</li> <li>8. Flamingo Finance &amp; Investment Company Limited.</li> <li>9. Ramaniya Finance and Investment Co. Ltd.</li> <li>10. Vardhman Special Steels Limited.</li> <li>11. Vardhman Textiles Limited.</li> <li>12. Vardhman Spinning &amp; General Mills Limited.</li> <li>13. VTL Investments Limited.</li> </ol>
Chairman/Member of Committees of Other Companies	<ol style="list-style-type: none"> <li>1. <u>Corporate Social Responsibility Committee</u> ➤ Vardhman Special Steels Limited</li> <li>2. <u>Stakeholder's Relationship Committee</u> ➤ Vardhman Special Steels Limited</li> </ol>
No. of Shares Held	28,416 (equity shares)
Relationship with other Directors	Related to Mr. Sachit Jain, Mr. S.P. Oswal and Mrs. Shakun Oswal.



## DIRECTORS' REPORT

Dear Members,

The Directors of your Company have pleasure in presenting their 51<sup>st</sup> Annual Report together with the Audited Accounts of the Company for the Financial Year ended 31<sup>st</sup> March, 2015.

### 1. FINANCIAL RESULTS:

The Financial Results for the year are as under: -

(Amount in ₹)

PARTICULARS	2014-15	2013-14
Revenue from Operations	303,277,001	186,968,627
Other Income	21,908,588	12,034,661
Profit before Depreciation, Interest and Tax (PBDIT)	311,746,552	181,323,782
Interest and Financial Expenses	-	-
Profit before Depreciation & Tax (PBDT)	311,746,552	181,323,782
Depreciation	413,636	353,873
Profit before Tax (PBT)	311,332,916	1,809,69,909
Provision for		
- Current Tax	18,740,000	11,950,000
- Deferred Tax	43,590	-
- MAT Credit Entitlement	(10,430,000)	(5,850,000)
- Tax adjustment for earlier years	-	386,600
<b>Profit after Tax (PAT)</b>	<b>302,979,326</b>	<b>174,483,309</b>
Balance Brought Forward	715,161,495	604,279,998
Profit available For Appropriations	1,018,140,821	778,763,307
<b>Appropriations:</b>		
Proposed Dividend on Equity Shares	9,574,608	9,574,608
Corporate Dividend Tax on Proposed Dividend	1,949,165	1,627,205
Transfer to General Reserve	-	17,500,000
Transfer to Statutory Reserve	60,600,000	34,900,000
Balance carried to Balance Sheet	946,017,048	715,161,495
Earnings per Share (₹)	94.93	54.67
Dividend per Share (₹)	3.00	3.00

### 2. MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

#### A. FINANCIAL ANALYSIS:

During the year, the Revenue from operations was ₹ 303,277,001 as against ₹ 186,968,627 in the previous year. The Company earned other income of ₹ 21,908,588 during the year as against ₹ 12,034,661 during last year. The Company earned profit before depreciation, interest and tax of ₹ 311,746,552 as against ₹ 181,323,782 in the previous year. After providing for depreciation of ₹ 413,636 (Previous Year ₹ 353,873), current tax of ₹ 18,740,000 (Previous Year ₹ 11,950,000), the profit after tax was ₹ 302,979,326 as against ₹ 174,483,309 last year.

The balance available for appropriation after adding balance in surplus account is ₹ 1,018,140,821. Out of this, a sum of ₹ 9,574,608 and ₹ 1,949,165 have been appropriated towards proposed dividend and corporate dividend tax respectively thereon, ₹ 60,600,000 is proposed to be transferred to Special reserve and the balance of ₹ 946,017,048 is proposed to be carried as surplus to the balance sheet.

#### B. RESOURCE UTILISATION:

##### FIXED ASSETS:

The net fixed assets as at 31<sup>st</sup> March, 2015 were ₹ 10,162,630 as against previous year's fixed assets of ₹ 10,576,266. During the year, there were additions of fixed assets amounting to ₹ Nil (Previous Year ₹ 2,207,255).

##### CURRENT ASSETS:

The net current assets as on 31<sup>st</sup> March, 2015 were ₹ 1,541,472,260 as against ₹ 1,244,312,397 in the previous year.

#### C. FINANCIAL CONDITIONS AND LIQUIDITY:

Management believes that the Company's liquidity and capital resources are sufficient to meet its expected working capital needs and other anticipated cash requirements. The position of liquidity and capital resources of the Company is given below: -

**Cash and Cash Equivalents:**

(Amount in ₹)

Particulars	2014-15	2013-14
<b>Beginning of the Year</b>	<b>4,046,473</b>	19,456,298
<b>End of the Year</b>	<b>5,423,636</b>	4,046,473
Net Cash provided/ (used) by:		
<b>Operating Activities</b>	<b>221,866,456</b>	134,137,590
<b>Investing Activities</b>	<b>(209,295,936)</b>	(138,450,413)
<b>Financing Activities</b>	<b>(11,193,357)</b>	(11,097,002)

**D. BUSINESS OUTLOOK:**

Vardhman Holdings Limited primarily earns its income from investments. The Company's strategy is to adopt a systematic approach of investment into different asset classes namely debt, equity & real estate and to keep the portfolio dynamic as per the changing market conditions. Company's current portfolio consists of investments into debt, equity & real estate. The investment is made in accordance with the asset allocation model fixed by the Board.

**E. INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY:**

The Company has well defined internal control system. The Company takes abundant care to design, review and monitor the working of internal control system. Internal audit in the organization is an independent appraisal activity and all significant issues are brought to the attention of the Audit Committee of the Board.

**F. INTERNAL FINANCIAL CONTROL:**

The Company has in place adequate internal financial controls with reference to financial statements. During the year, such controls were tested and no reportable material weakness in the design or operation were observed.

**G. MANAGEMENT PERCEPTION OF RISK AND CONCERNS:**

The Company recognises that risk is an integral and unavoidable component of business and is committed to managing the risk in a proactive and effective manner. The Company is a NBFC, registered under RBI and mainly engaged in investment business. It follows a strategy of adopting a systematic approach to investment into different asset classes and keeping the portfolio dynamic as per the changing market conditions. The aim is a well diversified portfolio to mitigate the market risk.

The Company is prone to all the financial risks and capital market fluctuations.

**H. HUMAN RESOURCES/INDUSTRIAL RELATIONS:**

The Company is not carrying on any manufacturing activity and no workers were employed during the year.

**3. PUBLIC DEPOSITS:**

The Company has not accepted and does not intend to accept any deposits from the public. As at 31st March, 2015, there are no outstanding/unclaimed deposits from the public.

**4. DIVIDEND:**

The Board of Directors of your Company is pleased to recommend a dividend of ₹ 3 per share on the fully paid-up equity shares of the Company.

**5. DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP):**

In accordance with provisions of the Articles of Association of the Company, Mrs. Suchita Jain, Director of your Company, retires by rotation at the conclusion of the forthcoming Annual General Meeting and being eligible, offers herself for re-appointment. The Board of Directors recommended her appointment for consideration of the members at the forthcoming Annual General Meeting.

Pursuant to provisions of Section 203 of the Companies Act, 2013, the below mentioned KMP's were appointed/designated in the Board meeting held on 12<sup>th</sup> February 2015, as detailed below:-

Whole Time Key Managerial Personnel of the Company	Designation
Shakun Oswal	Whole-Time Director (WTD)
Tanu Berry	Company Secretary (CS)
Poorva Bhatia	Chief Financial Officer (CFO)

**Familiarisation programmes for Board Members:**

The Board members are from time to time provided with necessary documents/policies/internal procedures to get them familiar with the practices of the Company. The business strategies, performance, global developments, legal & other updates, compliance reports and other relevant information/reports etc are being periodically provided to the Board of Directors.

**6. INDEPENDENT DIRECTORS:**

Pursuant to the provisions of the Companies Act, 2013, Mr. Surinder Singh Bagai, Mr. Jagdish Rai Singal, Mr. Sat Paul Kanwar, Mr. Om Parkash Sharma & Mrs. Apinder Sodhi were appointed as Independent Directors in the 50<sup>th</sup> Annual General Meeting, who are not liable to retire by rotation.



## Declaration under Section 149(6):

The Independent Directors have submitted their disclosures to the Board that they fulfill all the requirements as stipulated in Section 149(6) of the Companies Act, 2013 so as to qualify themselves to be appointed as Independent Directors under the provisions of the Companies Act, 2013 and read with the relevant rules.

## 7. AUDITORS:

### a. Statutory Auditors:

M/s. R. Dewan & Co., the Statutory Auditors of the Company, have been appointed by the Shareholders of the Company for five consecutive years i.e. from conclusion of 50<sup>th</sup> Annual General Meeting to the conclusion of 55<sup>th</sup> Annual General Meeting, whose first year will be completed in the ensuing Annual General Meeting. Pursuant to provisions of Section 139 (1) of the Companies Act, 2013, this appointment shall be ratified by the Shareholders at every Annual General Meeting during their tenure. Therefore, it is recommended to the shareholders to ratify the appointment of M/s. R. Dewan & Co., the Statutory Auditors, in their forthcoming Annual General Meeting.

### b. Secretarial Auditor:

Khanna Ashwani & Associates, Practicing Company Secretaries, were appointed as Secretarial Auditor & their report on Secretarial Audit in Form No. MR 3 under Section 204 of the Companies Act, 2013 for the Financial Year 2014-15 is attached as **Annexure 1** and shall form part of this Report.

### c. Internal Auditor:

Pursuant to provisions of Section 138 of the Companies Act, 2013, the Company has appointed Mr. Varun Mahajan, to conduct internal audit of the functions and activities of the Company and maintain internal control systems of the Company.

## 8. AUDITORS' REPORT:

The Statutory & Secretarial Auditors' Reports are self-explanatory and requires no comments.

## 9. AUDIT COMMITTEE & VIGIL MECHANISM:

### Composition of Audit Committee:

The Audit committee of the Board of Directors was constituted in conformity of provisions of the Companies Act, 2013 & the Listing Agreement. The committee comprises of three directors i.e. Mr. Om Parkash Sharma, Mr. Sat Pal Kanwar and Mrs. Apinder Sodhi, Independent Directors. Mrs. Apinder Sodhi is the Chairperson of the said committee and Ms. Tanu Berry is secretary of the Committee. The Committee met Four (4) times during the year.

## Vigil Mechanism and Whistle Blower:

Pursuant to provisions of section 177 (9) of the Companies Act, 2013, the Company has established a "Vigil Mechanism" incorporating Whistle Blower Policy in terms of the Listing Agreement for employees and directors of the Company, for expressing the genuine concerns of unethical behavior, frauds or violation of the codes of conduct by way of direct access to the Chairman/Chairman of the Audit Committee in exceptional cases. The Company has also provided adequate safeguards against victimization of employees and Directors who express their concerns.

The policy on "Vigil mechanism and Whistle Blower" may be accessed on the Company's website at [http://www.vardhman.com/user\\_files/5a743d3b9b143130ad8cc8ffb5845a504d81a531436265717.pdf](http://www.vardhman.com/user_files/5a743d3b9b143130ad8cc8ffb5845a504d81a531436265717.pdf).

## 10. BOARD MEETINGS:

During the Financial Year 2014-15, the Board met Four (4) times i.e. on 17.05.2014, 09.08.2014, 11.11.2014 and 12.02.2015.

## 11. DIRECTOR'S RESPONSIBILITY STATEMENT:

Pursuant to Section 134 (5) of the Companies Act, 2013, the Directors confirm that:

- In the preparation of the annual accounts, the applicable Accounting Standards have been followed;
- Appropriate accounting policies have been selected and applied consistently, and have 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 or loss of the Company for that period;
- Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safe guarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- The annual accounts have been prepared on a going concern basis.
- Laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and were operating effectively.
- Devised proper systems to ensure compliance with the provisions of all applicable laws and those systems were adequate and operating effectively.

## 12. CORPORATE GOVERNANCE:

The Company has in place a system of Corporate Governance. A separate report on Corporate Governance forming part of the Annual Report of the Company is annexed

hereto. A certificate from the Auditors of the Company regarding compliance of conditions of Corporate Governance as stipulated under Corporate Governance Clause of the Listing Agreement is annexed to the report on Corporate Governance.

## 13. PERSONNEL & RELATED INFORMATION:

None of the employees has received salary of ₹ 60.00 lac per annum or ₹ 5.00 lac per month or more during the Financial Year 2014-2015. Accordingly, no particulars of employees are to be given pursuant to the provisions of Section 197 of the Companies Act, 2013 read with respective rules.

Since the Company has no any subsidiary or holding company, no particulars are required to be given pursuant to the provisions of Section 197 (14) of the Companies Act, 2013.

The particulars required under Section 197 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are attached in **Annexure 2**.

## 14. COMPANY POLICIES & STATUS OF DEVELOPMENT:

### a. CORPORATE SOCIAL RESPONSIBILITY (CSR) INITIATIVES:

#### Vision & core areas of CSR:

Your Company is committed to and fully aware of its Corporate Social Responsibility (CSR), the guidelines in respect of which were more clearly laid down in the recently overhauled Companies Act. The Company's vision is to pursue a corporate strategy that enables shareholder value enhancement in a mutually reinforcing and synergistic manner.

The CSR Policy approved by the Board may be assessed on the website of the Company at [http://www.vardhman.com/user\\_files/d2741c4bbc072fc76df0539a029aeab5b86073411436265583.pdf](http://www.vardhman.com/user_files/d2741c4bbc072fc76df0539a029aeab5b86073411436265583.pdf).

The Company has identified following thrust areas for CSR:

- **PROMOTION OF EDUCATION:** To continue our endeavour for promoting education by setting up schools, colleges to deliver high quality education to students of all strata of society.
- **ENVIRONMENT PROTECTION AND ENERGY CONSERVATION:** To protect environment and to sustain and continuously improve standards of Environment, Health and Safety through the collective endeavour of Company and its employees at all levels towards attaining world class standards.
- **DEVELOPMENT OF HUMAN CAPITAL:** To encourage the development of human capital through skills development, vocational training programmes.

- **RURAL DEVELOPMENT:** To contribute to development in rural areas near by unit of the Company and knowledge sharing and other social practices such as soil and moisture conservation and watershed management etc.

### • OTHER INITIATIVES:

- ✓ To contribute to empowering women economically, supplementing primary and secondary education and participating in rural capacity building programmes and such other schemes.
- ✓ To respond to emergency situations & disasters by providing timely help to affected victims and their families.
- ✓ Any other project/programme pertaining to activities listed in Schedule VII of the Companies (Corporate Social Responsibility) Rules, 2014 and amendments thereto.

The disclosures under Section 134(3) of the Companies Act, 2013 read with Rule 9 of Companies (Accounts) Rules 2014 i.e. Annual Report on CSR activities for Financial Year 2014-15 is attached herewith in **Annexure 3**.

### b. NOMINATION AND REMUNERATION POLICY:

The Nomination & Remuneration Committee was constituted by the Board on 09.08.2014, consisting of three directors viz Mr. Sachit Jain, Mr. Sat Pal Kanwar and Mrs. Apinder Sodhi. Mrs. Apinder Sodhi is the Chairperson of said Committee. The Committee met two times during the year under review. The Company's approved Policy relating to appointment of Directors, payment of Managerial remuneration, Directors' qualifications, positive attributes, Independence of Directors and other related matters as provided under Section 178(3) & (4) of the Companies Act, 2013 is attached herewith in **Annexure 4**.

### c. RISK MANAGEMENT POLICY:

The risk management includes identifying types of risks and its assessment, risk handling and monitoring and reporting, which in the opinion of the Board may threaten the existence of the Company. The Risk Management Committee was re-constituted by the Board on 11.11.2014, comprising of Mr. Sachit Jain, Mr. Sat Pal Kanwar and Mrs. Apinder Sodhi. The Committee has formulated the Risk Management Policy which was subsequently approved by the Board of Directors.

The Risk Management Policy may be assessed on the website of the Company at [http://www.vardhman.com/user\\_files/ac90887bccb0c1ac34a16f592a1ecbb9c50c4d2e1436265676.pdf](http://www.vardhman.com/user_files/ac90887bccb0c1ac34a16f592a1ecbb9c50c4d2e1436265676.pdf).