

**WELSPUN**



Dare to Commit

# **WELSPUN INVESTMENTS AND COMMERCIALS LIMITED**

# **7<sup>th</sup> Annual Report 2014-2015**

**WELSPUN**



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**WELSPUN INVESTMENTS AND COMMERCIALS LIMITED**

**CORPORATE INFORMATION**

**Company Identification Number** – L52100GJ2008PLC055195

**Date of Incorporation** – October 7, 2008

**Registered Capital** – ₹ 130,000,000

**Paid Up Capital** – ₹ 36,544,760 divided into 3,654,476 equity shares of ₹10/- each fully paid-up

**Board of Directors:** **Mr. L. T. Hotwani**  
**Mr. Atul Desai**  
**Mr. Rajkumar Jain**  
**Ms. Mala Tadarwal**

**Chief Executive Officer & Chief Financial Officer:** Mr. Gajendra Nahar

**Company Secretary:** Ms. Priya Pakhare

**Auditors:** M/s. Suresh Surana & Associates, LLP  
Chartered Accountants

**Registered Office:** Welspun City,  
Village Versamedi,  
Taluka Anjar, Dist. Kutch,  
Gujarat - 370 110  
Tel.: +91 2836 661111  
Fax: +91 2836 279010  
Email: CompanySecretary\_WINL@welspun.com  
Website: www.welspuninvestments.com

**Corporate Office:** Welspun House, 7<sup>th</sup> Floor,  
Kamala City, Senapati Bapat Marg,  
Lower Parel (West),  
Mumbai – 400 013  
Tel.: +91 2266136000 /24908000  
Fax: +91 224908020

**Registrar and** Link Intime India Private Ltd.

**Transfer Agents:** C- 13, Pannalal Silk Mills Compound,  
LBS Marg, Bhandup (West),  
Mumbai – 400078

**Equity shares listed at:** Bombay Stock Exchange Ltd.  
The National Stock Exchange of India Ltd.

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## NOTICE

**NOTICE** is hereby given that the 7<sup>th</sup> Annual General Meeting of Welspun Investments and Commercials Limited will be held on **Monday, August 31, 2015** at the Registered Office of the Company at Welspun City, Village Versamedi, Taluka : Anjar, Dist. Kutch, Gujarat – 370 110 at 5.00 p.m. to transact the following businesses:

### Ordinary Business:

- 1) To receive, consider and adopt the audited financial statements for the financial year ended March 31, 2015 and the Reports of the Board of Directors and Auditors thereon.
- 2) To appoint a Director in place of Mr. L. T. Hotwani (DIN 00007125), who retires by rotation, and being eligible, offers himself for re-appointment.

### SPECIAL BUSINESS:

- 3) To consider and if thought fit to pass with or without modification(s), the following resolution as an Ordinary Resolution.  
**“RESOLVED THAT** subject to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013, M/s. S P C & Co., Chartered Accountants having Firm Registration Number 012388S, be and are hereby appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting upto the conclusion of the 12<sup>th</sup> Annual General Meeting subject to ratification by the Members of the Company at every Annual General Meeting, at a remuneration of Rs. 62,500/- plus applicable taxes and such travelling and out-of-pocket expenses as may be authorized by the Board for the period commencing from the conclusion of the 7<sup>th</sup> Annual General Meeting to the conclusion of the 8<sup>th</sup> Annual General Meeting.”

By Order of the Board  
For Welspun Investments and Commercials Limited

Priya Pakhare  
Company Secretary  
FCS - 7805

Place: Mumbai

Date: May 14, 2015

## EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 102 OF THE COMPANIES ACT, 2013

### BRIEF RESUME OF DIRECTORS BEING APPOINTED / RE-APPOINTED

#### Item No. 2 - Re-appointment of Mr. L. T. Hotwani

Mr. Hotwani is a non-executive director and joined the Board of the Company in November, 2011. He is a commerce graduate with more than 42 years of experience in the field of Accounts, Finance, Taxation, Insurance, Supply Chain, etc. He has been associated with the Welspun Group since 1991 and has handled different profiles at various senior level positions in the group.

#### Details of directorship /membership of the Committees of the Board of other companies are as under:

**Directorship:** He is also a director in Methodical Investment and Trading Company Pvt. Ltd., Welspun Fintrade Private Ltd., Mertz Securities Ltd., Krishiraj Trading Ltd., Friends Connections Pvt. Ltd., Goldenarch Estates Pvt. Ltd., Welspun Mercantile Ltd., Sequence Apartments Pvt. Ltd., Welspun Marine Logistics (Raigad) Ltd., Welspun Finance Ltd., Welspun Pipes Ltd., Welspun Realty Private Ltd., Alspun Infrastructure Ltd., WS Trading and Holding Private Ltd. and Welspun Guinea SA.

#### Membership / Chairmanship of Committees: He is a member / chairman in the following Committees:

Name of the Company	Name of the Committee	Chairman / Member
Welspun Investments and Commercials Limited	Finance Committee	Chairman
Welspun Investments and Commercials Limited	Share Transfer and Investors' Grievance and Stakeholders Relationship Committee	Chairman
Krishiraj Trading Limited	Corporate Social Responsibility	Member



He does not hold any equity share in the Company.

Except Mr. Hotwani, himself being the appointee herein, none of the key managerial personnel or directors of the Company or their relatives may be deemed to be concerned or interested in this resolution.

Shareholders' approval is sought by way of ordinary resolution proposed under Item no. 2 of the accompanying Notice.

### Item No. 3

The present Auditors of the Company, M/s. Suresh Surana & Associates, LLP, Chartered Accountants, have expressed their intention not to seek reappointment as Auditors of the Company on their retirement at the conclusion of this Annual General Meeting. M/s. S P C & Co., Chartered Accountants, have signified their consent in writing to act as Auditors of the Company, if appointed, and to hold office from the conclusion of this Annual General Meeting till the conclusion of the 12<sup>th</sup> Annual General Meeting of the Company, subject to ratification by the Members of the Company at every Annual General Meeting, at remuneration as mentioned in the resolution at item no. 3 for the period commencing from the conclusion of the 7<sup>th</sup> Annual General Meeting to the conclusion of the 8<sup>th</sup> Annual General Meeting.

None of the key managerial personnel or directors of the Company or their relatives is concerned or interested in this resolution.

Shareholders' approval is sought by way of ordinary resolution proposed under Item no. 3 of the accompanying Notice.

### NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.** Proxies, in order to be effective, should be duly stamped, completed, signed and deposited at the Registered Office of the Company not less than 48 hours before the meeting.
2. Proxy shall not have the right to speak and shall not be entitled to vote except on a poll.
3. A proxy can act on behalf of such number of member or members not exceeding 50 and holding in aggregate not more than 10% of the total share capital of the Company. Provided that a member holding more than 10%, of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.
4. The Register of Members and Share Transfer Books of the Company will remain closed from Monday, June 22, 2015 to Wednesday, June 24, 2015 (both days inclusive).
5. All the correspondence pertaining to shareholding, transfer of shares, transmission, etc. should be lodged at the Company's Share Registrar and Transfer Agent : Link Intime India Private Ltd., Unit: Welspun Investments and Commercials Limited, C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (West), Mumbai – 400 078. Tel. No. 022-2596 3838, 022-2594 6970, Fax No. 022-2594 6969, email- [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in).
6. Members are requested to immediately inform about their change of address, change of e-mail address or consolidation of folios, if any, to the Company's Share Registrar and Transfer Agent.
7. Securities and Exchange Board of India (SEBI) vide circular ref. no. CIR/CFD/DIL/7/2011 dated October 5, 2011 and consequent changes in Clause 32 of the Equity Listing Agreement, and the Companies Act 2013 allows that Companies can send full Annual Reports in electronic mode to its Members who have registered their e-mail addresses for the purpose. Those shareholders who have not got their email address registered or wish to update a fresh email address may do so by submitting the attached E-mail Registration-Cum Consent Form to the Company or the Registrar and Transfer Agent of the Company consenting to send the Annual Report and other documents in electronic form at the said e-mail address.
8. As part of the Green Initiative circulars issued by the Ministry of Corporate Affairs, the Notice and Annual Report of the Company is being sent to the shareholders on their respective e-mail addresses registered with the Company. However, shareholders requiring a physical copy of the Notice and Annual Report may write to the Company at the Corporate Office at 7<sup>th</sup> Floor, Welspun House, Kamala City, Senapati Bapat Marg, Lower Parel (W), Mumbai - 400 013. The Annual Report along with the Notice of the Annual General Meeting is available on the website of the Company, [www.welspuninvestments.com](http://www.welspuninvestments.com).
9. The physical copies of the Annual Reports, Memorandum & Articles of Association, etc. and other documents referred to in the Notice will be available at the Company's Registered Office for inspection during normal business hours on working days till the date of the meeting and copies thereof shall also be available at the Corporate Office of the Company and during the meeting.
10. Voting through electronic means
  - I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment



Rules, 2015 and Clause 35B of the Listing Agreement, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the General Meeting by electronic means and the business may be transacted through e-voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the General Meeting ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).

- II. The facility for voting through ballot paper shall be made available at the General Meeting and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
- III. The members who have cast their vote by remote e-voting prior to the General Meeting may also attend the General Meeting but shall not be entitled to cast their vote again.
- IV. The remote e-voting period commences on August 28, 2015 (9:00 am) and ends on August 30, 2015 (5:00 pm). During this period members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of August 24, 2015, may cast their vote by remote e-voting. *A member who is not a member on the cut-off date should treat this Notice for information purpose only.* The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by a member, that member shall not be allowed to change it subsequently.
- V. The process and manner for remote e-voting are as under:
  - A. In case a member receives an email from NSDL [for members whose email IDs are registered with the Company/ Depository Participants(s)] :
    - (i) Open email and open PDF file viz; "remote e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.
    - (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
    - (iii) Click on Shareholder - Login
    - (iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
    - (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
    - (vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
    - (vii) Select "EVEN" of "Welspun Investments and Commercials Limited".
    - (viii) Now you are ready for remote e-voting as Cast Vote page opens.
    - (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
    - (x) Upon confirmation, the message "Vote cast successfully" will be displayed.
    - (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
    - (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to [sanjayrisbud@yahoo.com](mailto:sanjayrisbud@yahoo.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)
  - B. In case a Member receives physical copy of the Notice of General Meeting [for members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy] :
    - (i) Initial password is provided as below/at the bottom of the Attendance Slip for the General Meeting:  
**EVEN (Remote e-voting Event Number)**  
**USER ID PASSWORD/PIN**
    - (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.
- VI. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990.
- VII. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/ PIN for casting your vote.
- VIII. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).



IX. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of August 24, 2015.

X. Any person, who acquires shares of the Company and becomes member of the Company after dispatch of the notice and holds shares as of the cut-off date i.e. August 24, 2015, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or Issuer/RTA.

However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or contact NSDL at the following toll free no.: 1800-222-990.

XI. 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 voting at the General Meeting through ballot paper.

XII. Mr. Sanjay Risbud, Company Secretary (Certificate of Practice No. 5517) Proprietor of M/s. S. S. Risbud & Co., Company Secretaries has been appointed as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.

XIII. The Chairman shall, at the General Meeting, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "Ballot Paper" for all those members who are present at the General Meeting but have not cast their votes by availing the remote e-voting facility.

XIV. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting 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 General Meeting, a consolidated scrutinizer's report of the 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 result of the voting forthwith.

The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company [www.welspuninvestments.com](http://www.welspuninvestments.com), notice board of the Company at the registered office as well as the corporate office and on the website of NSDL 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 stock exchanges at which the shares of the Company are listed.

By Order of the Board  
For Welspun Investments and Commercials Limited

Priya Pakhare  
Company Secretary  
FCS - 7805

Place: Mumbai  
Date: May 14, 2015



## DIRECTORS' REPORT

To,  
**The Members,  
Welspun Investments and Commercials Limited**

Your directors have pleasure in presenting the 7<sup>th</sup> Annual Report of your Company along with the Audited Financial Statements for the financial year ended March 31, 2015.

### 1. Financial Results

(₹)

Particulars	2014-15	2013-14
Income	8,676,975	11,232,152
Expenditure	8,075,405	129,811,043
Profit before taxation	601,570	(118,578,891)
Excess / (short) provision of tax for earlier years	(94,100)	Nil
Profit after taxation	Nil	(118,578,891)
Profit available for appropriation	507,470	(118,578,891)
Balance b/f for Previous Year	(78,339,023)	40,239,868
Balance carried to Balance Sheet	(77,831,553)	(78,339,023)

### 2. Performance

During the year, in view of subdued trading business opportunities, the Company's revenue from operations reduced by 22.75%. Secondly the trading margin was under pressure. These reasons, affected profitability from the Company's operations. However, profit before tax was positive compared to significant amount of loss in previous year which was caused by impairment in value of investment. The management is hopeful that the Company will be able to achieve the trading business with the expected growth in business opportunities.

### 3. Dividend

In view of accumulated losses, your directors do not recommend any dividend for the financial year ended March 31, 2015.

### 4. Internal controls

The Board had laid down internal financial controls to be followed by the Company which are commensurate with the size, scale and complexity of its business and such internal financial controls are adequate and were operating effectively within the meaning of the explanation of Section 134 (5) (e) of the Companies Act, 2013.

### 5. Deposits

The Company has not accepted any deposit within the meaning of the Chapter V to Companies Act 2013. Further, no amount on account of principal or interest on deposit was outstanding as at the end of the year under report.

### 6. Associate Company

There was no change in the associate company as at the beginning and end of the year under report.

### 7. Auditors

#### i) Statutory Auditors

M/s. Suresh Surana & Associates LLP, Chartered Accountants, the Auditors retire at the conclusion of the forthcoming Annual General Meeting and have expressed their unwillingness to be reappointed for a further term.

Hence, the Board of Directors, based on recommendation of the Audit Committee, propose the appointment of M/s. S P C & Co., Chartered Accountants (Firm Registration No. 012388S) as the Statutory Auditors of the Company to hold office upto the conclusion of the 12<sup>th</sup> Annual General Meeting in place of retiring Auditors, M/s. Suresh Surana & Associates LLP, Chartered Accountants, to audit the accounts of the Company for the financial year 2015-16 to 2020-21 subject to ratification by the Members of the Company at every Annual General Meeting.

#### ii) Secretarial Auditors

The Board of Directors has re-appointed M/s. S. S. Risbud & Co., Company Secretaries, as the Secretarial Auditor of the Company for the year 2015-16.

### 8. Auditors' Report

#### i) Statutory Auditors' Report

The Auditors' observation read with Notes to Accounts are self-explanatory and therefore, do not call for any comment.

#### ii) Secretarial Audit Report

Secretarial Audit Report given by M/s. S. S. Risbud & Co., Company Secretaries is annexed with the report as **Annexure 1**.





## 9. Share Capital & Listing

### i) Issue of equity shares with differential rights

The Company has not issued shares with differential rights and hence, disclosures as required in Rule 4(4) of the Companies (Share Capital and Debentures) Rules, 2014 are not required.

### ii) Disclosure of Shares held in suspense account under Clause 5A of the Listing Agreement

Outstanding Balance in the suspense account lying at the beginning of the year		Number of shareholders who approached issuer for transfer of shares from suspense account during the year		Transferred/Credited during the year		Balance outstanding	
No. of shareholders	No. of Shares	No. of shareholders	No. of Shares	No. of shareholders	No. of Shares	No. of shareholders	No. of Shares
1,033	4,663	4	12	2	6	1,031	4,657

The voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.

### iii) Listing with the stock exchanges

The Company's equity shares are listed on the Bombay Stock Exchange Limited (BSE) and the National Stock Exchange of India Limited (NSE).

Annual listing fees for the year 2014-15 have been paid to BSE and NSE

## 10. Extract of the annual return

An extract of the annual return in Form MGT-9 of the Companies (Management and Administration) Rules, 2014 is attached to this report as **Annexure 2**.

## 11. Conservation of energy, technology absorption and foreign exchange earnings and outgo

Your Company does not carry any activity which is covered under Section 134(3)(m) of the Companies Act, 2013 and applicable rules and accordingly no data needs to be provided in this regard.

## 12. Directors

### i) Changes in Directors and Key Managerial Personnel

Since the last report, no change took place in the Board of Directors and the following Key Managerial Personnel were appointed:

- Mr. Gajendra Nahar - appointed as Chief Financial Officer w.e.f. August 1, 2014 and as Chief Executive Officer w.e.f. November 6, 2014.
- Ms. Priya Pakhare – appointed as Company Secretary w.e.f. August 1, 2014.

Mr. L. T. Hotwani is retiring by rotation at the forthcoming Annual General Meeting and being eligible, has been recommended for re-appointment.

Details about the directors being appointed / re-appointed are given in the Notice of the forthcoming Annual General Meeting being sent to the members along with the Annual Report.

### ii) Declaration by Independent Directors

The independent directors on the Board of the Company met the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 at the time of their respective appointment and there is no change in the circumstances as on the date of this report which may affect their respective status as an independent director.

### iii) Formal Annual Evaluation

The evaluation process was led by the Chairman of the Nomination and Remuneration Committee with specific focus on the performance vis-à-vis the plans, meeting challenging situations, performing leadership role within and effective functioning of the Board. The evaluation process invited, through IT enabled platform, graded responses to a structured questionnaire for each aspect of evaluation viz. time spent by each of the directors; accomplishment of specific responsibilities and expertise; conflict of interest; integrity of the Director; active participation and contribution during discussions. For the financial year 2014-15, the annual performance evaluation was carried out which included evaluation of the Board, independent directors, non-independent directors, Chairman appointed for the Board Meetings, Committees of the Board, quantity, quality and timeliness of information to the Board. The independent directors evaluated non-independent directors, the Board, the Committees, the Chairman appointed for the Board Meetings and the information to the Board. The Nomination and Remuneration Committee and Board evaluated performance of the independent directors, the Board itself, the Chairman appointed for the Board Meetings, the Committees of the Board, the information provided to the Board. All results were satisfactory.





### 13. Number of meetings of the Board of Directors

The Company's Board consists of eminent persons with considerable professional expertise and experience thereby ensuring the best interest of stakeholders and the Company. The Board comprises of 4 Directors out of which 3 are Independent Directors.

The composition and category of directors and relevant details relating to them are given below:

Name of Director	Category	Board Meetings Attended during the Year 2014-15	Attendance at the Last AGM	No. of Directorships (as last declared to the Company)		No. of Chairmanship(s)/ Membership (s) of Committees including other Public Ltd Cos.@ (as last declared to the Company)	
				Public	Private	Chairmanships	Memberships
Mr. L. T. Hotwani	NE	4/4	No	8	7	1	-
Mr. Arun Tadarwal#	NE, I	1/1	No	7	2	1	7
Mr. Atul Desai	NE, I	3/4	No	9	1	5	5
Mr. Rajkumar Jain	NE, I	4/4	Yes	5	2	2	2
Ms. Mala Tadarwal*	NE, I	3/3	No	7	-	2	5

# Resigned w.e.f. July 1, 2014

\* Appointed w.e.f. August 1, 2014

@ Chairmanship/membership of the Audit Committee and the Share Transfer, Investors' Grievance and Stakeholders' Relationship Committee alone considered

Abbreviations:

I = Independent, NI = Non Independent, NE = Non-Executive Director

4 meetings of the Board of Directors were held during the financial year 2014-15 on the following dates: May 20, 2014, August 1, 2014, November 6, 2014 and January 28, 2015.

In addition to the above, a meeting of the Independent Directors was held on March 31, 2015 in compliance with the Section 149(8) read with Schedule V to the Companies Act, 2013. The said meeting was attended by Mr. Atul Desai and Mr. Rajkumar Jain.

It is confirmed that there is no relationship between the directors inter-se.

### 14. Audit Committee

The Committee comprises 3 non-executive independent directors having accounting and finance back-ground. The composition of the Committee and attendance of the members is given hereunder:

Name of the Member	Member / Chairman	Number of Meetings Attended
Mr. Rajkumar Jain	Chairman	4/4
Mr. Arun Tadarwal#	Member	1/1
Mr. Atul Desai	Member	3/4
Ms. Mala Tadarwal \$	Member	3/3
Mr. L. T. Hotwani*	Member	1/1

# Resigned w.e.f. July 1, 2014

\$ Appointed w.e.f. August 1, 2014

\* Appointed as member for one meeting and relieved from the position of member in the same meeting held on 01.08.2015

The Company Secretary of the Company, Ms. Priya Pakhare acts as the Secretary of the Committee.

4 meetings of the Audit Committee of the Board of Directors were held during the financial year 2014-15 on following dates: May 20, 2014, August 1, 2014, November 6, 2014 and January 28, 2015.

None of recommendations made by the Audit Committee were rejected by the Board.

#### Terms of reference –

The terms of reference stipulated by the Board of Directors to the Audit Committee are as contained under the Listing Agreement and Section 177 of the Companies Act, 2013.



## 15. Nomination and Remuneration Committee

The Company had constituted the Nomination and Remuneration Committee consisting of non-executive independent directors. During the year under review, 4 meetings of the Committee were held on May 20, 2014, August 1, 2014, November 6, 2014 and January 28, 2015.

### Terms of reference –

To recommend appointment of, and remuneration to, directors, Key Managerial Personnel and Senior Management Personnel and review thereof from time to time.

### Composition of the Committee –

The Committee comprises of 3 non-executive independent directors as on date of this Report viz. Mr. Atul Desai, Mr. Rajkumar Jain and Ms. Mala Todarwal.

### Remuneration Policy -

The Company follows a policy on remuneration of directors and senior management employees and the salient features thereof are as under:

### Appointment of Directors :

- While identifying persons who may be appointed directors, the Committee shall consider business of the Company, strength, weakness, opportunity and threats to company's business, existing composition of the board of directors, diversity, skills, expertise of existing directors and, background, skills, expertise, reputation and qualification possessed by persons being considered, specific requirements under Companies Act, 2013, standard listing agreement and any other laws as to composition of the Board.
- While identifying persons who may be appointed as independent directors, the Committee shall review their qualifications and suitability to ensure that such candidates will be able to function as directors 'Independently' and avoid any conflict of interest, obligations, pressure from other Board members, KMPs, senior management and other persons associated with the Company.

### Remuneration of directors, Key Managerial Personnel, Senior Management Personnel :

- The remuneration to executive directors, Key Managerial Personnel and Senior Management Personnel at the time of appointment shall be mutually agreed. The Committee shall consider top industry indicators, requirements of role, qualification and experience of candidate, expected contribution of executive to the profitability challenges specific to the Company and such other matters as the Committee may deem fit. The remuneration must motivate individuals to achieve benchmarks which must be aligned to the vision of the Company. It may contain fixed pay. The management shall periodically find out the remuneration scale prevalent in the industry / peer group to the extent possible to find out if there is a need for revision in remuneration for retaining the talent.
- The Non-Executive directors shall not be eligible for any remuneration / commission, unless specifically approved by the Board of Directors on recommendation of the NRC and by the shareholders.
- The Non- Executive Directors including independent directors may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed ₹ 1,00,000 per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.
- The Non-Executive Directors may be paid commission after complying with required provisions of the Companies Act, 2013.

Besides, the Committee shall take into consideration performance, of the concerned executive as well as the Company, to the growth of business, profitability, company potentiality and critical role played / initiatives taken while considering pay hike / increment to the concerned executives.

## 16. Establishment of vigil mechanism for directors and employees

The Company has a Whistle Blower Policy and Vigil Mechanism for its directors and employees and any director or employee may make protected disclosures to the Audit Committee and no personnel have been denied access to the Audit Committee.

## 17. Particulars of contracts or arrangements with related parties

A related party transaction that was entered into during the year under report was on an arm's length basis and was in the ordinary course of business. There were no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large. A related party transaction was entered into because of mutual need and to serve mutual interest. Except for this, directors' sitting fees, related party transaction listed in the financial statements, none of the Directors has any pecuniary relationships or transactions vis-à-vis the Company. The requirement of Form AOC-2 is not applicable to the Company.