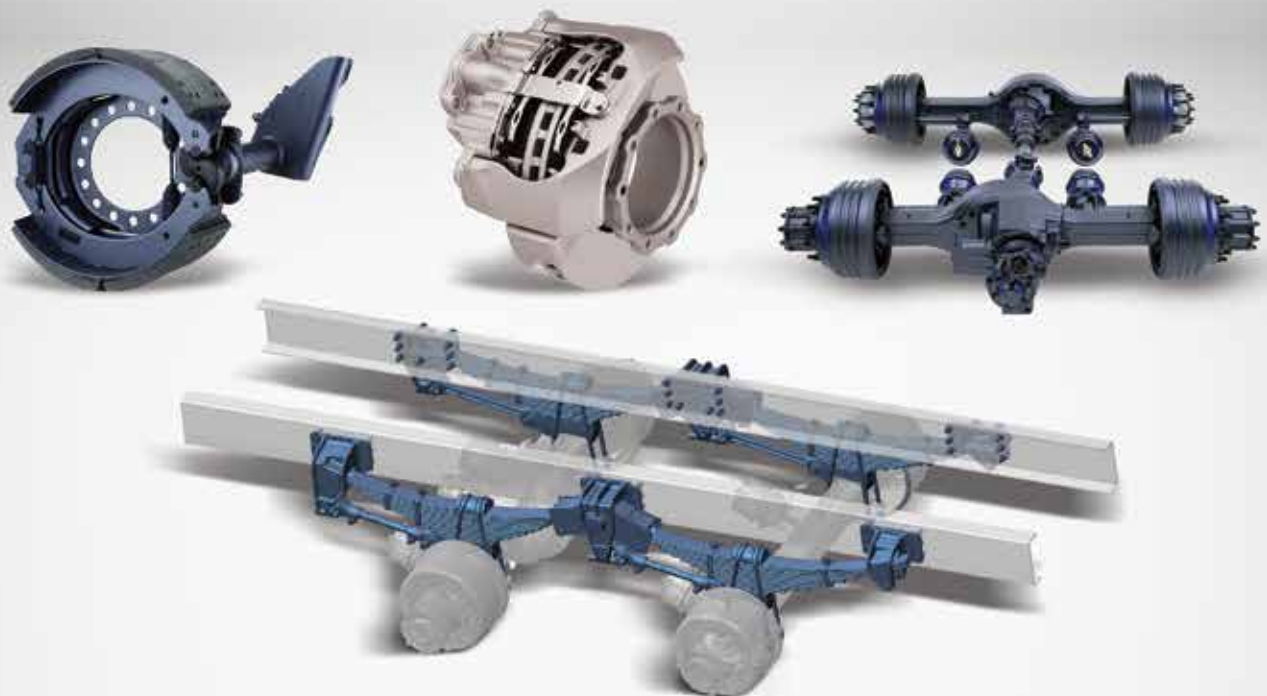




# Growth and Sustainability

## THROUGH TECHNOLOGY AND TEAMWORK

37<sup>th</sup> Annual Report 2017-18



KALYANI

Automotive Axles Limited



MERITOR

# Contents

Financial Performance	01
Chairman's Review	02
Board's Report	04
Management Discussion and Analysis	34
Report on Corporate Governance	43
Independent Auditor's Report	58
Balance Sheet	64
Statement of Profit & Loss	65
Statement of Changes in Equity	66
Cash Flow Statement	67
Notes	68
Notice	101

## Corporate Information

### Board of Directors

Dr. Babasaheb N Kalyani, Chairman  
Mr. Chrishan Anton Sebastian Villavarayan, Director  
Mr. Bhalachandra B Hattarki, Independent Director  
Mr. B C Prabhakar, Independent Director  
Mr. Rakesh Kalra, Independent Director  
Ms. Supriti Bhandary, Independent Director  
Dr. N. Muthukumar, Whole-time Director

### Key Managerial Personnel

Dr. N. Muthukumar, President & Whole-time Director  
Mr. Ranganathan S, Chief Financial Officer  
Mr. Debadas Panda, Company Secretary

### Statutory Auditors

S R Batliboi & Associates LLP, Bengaluru

### Internal Auditors

PricewaterhouseCoopers Pvt Ltd., Bengaluru

### Bankers

HDFC Bank Limited  
Axis Bank Limited  
State Bank of India  
Kotak Mahindra Bank Limited

### Registrar & Share Transfer Agents (RTA)

Integrated Registry Management Services Private Limited\*  
#30, Ramana Residency, 4th cross  
Sampige Road, Malleshwaram  
Bangalore – 560 003  
Ph: 080-23460815-818;  
E-mail: [irg@integratedindia.in](mailto:irg@integratedindia.in)  
\* RTA: Earlier name: Integrated Enterprises (India) Limited

### Registered Office

Hootagalli Industrial Area, Off Hunsur Road,  
Mysore, Karnataka - 570018  
Ph: 0821-7197500  
Website: [www.autoaxle.com](http://www.autoaxle.com)  
Email: [sec@autoaxle.com](mailto:sec@autoaxle.com)

### Works

#### 1. Mysuru

Hootagalli Industrial Area,  
Off Hunsur Road, Mysore, Karnataka – 570 018

#### 2. Rudrapur

6 Km Stone, Kichha Road, Village Shimla Pistor,  
Rudrapur, Udham Singh Nagar, Uttarakhand – 263 153

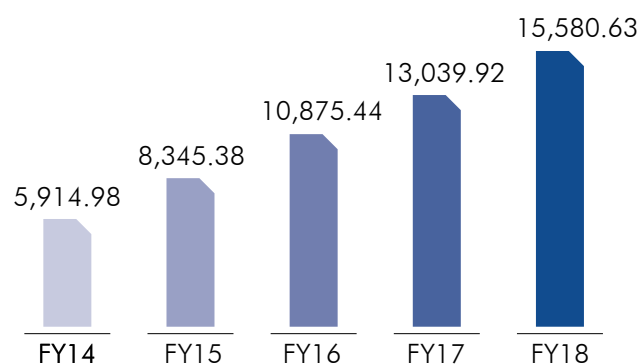
#### 3. Jamshedpur

Old Khakripara, Village & Post – Chhota Govindpur,  
Jamshedpur, Dist. E. Singhbhum, Jharkhand – 831 015

# Financial Performance

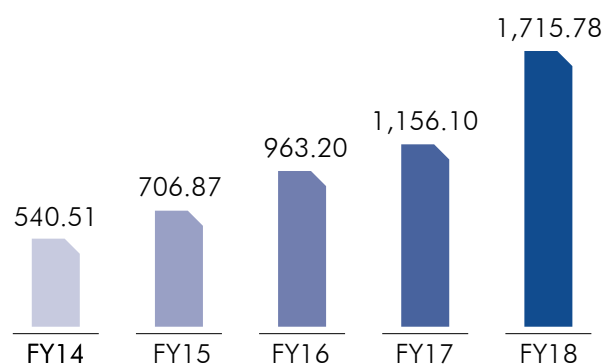
## Total Revenue

(₹ in mn)



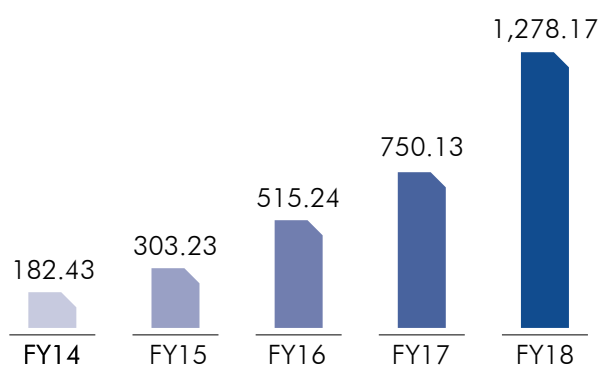
## EBIDTA

(₹ in mn)



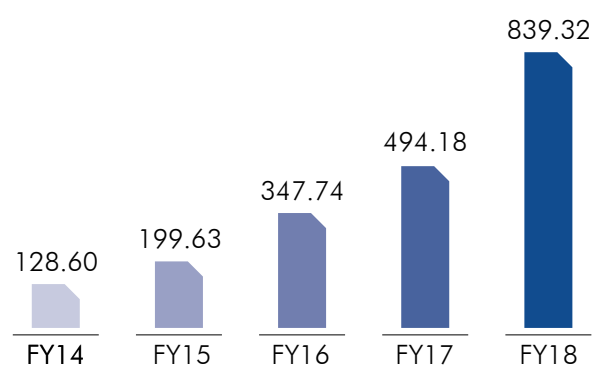
## PBT

(₹ in mn)



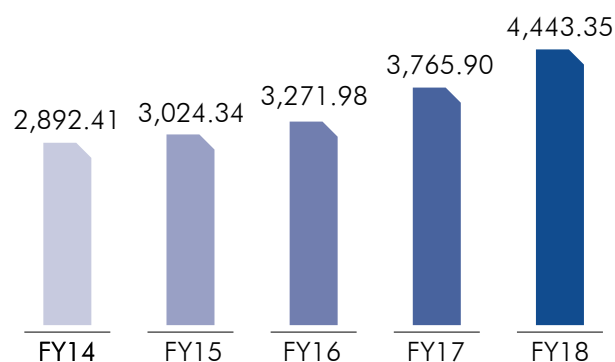
## PAT

(₹ in mn)



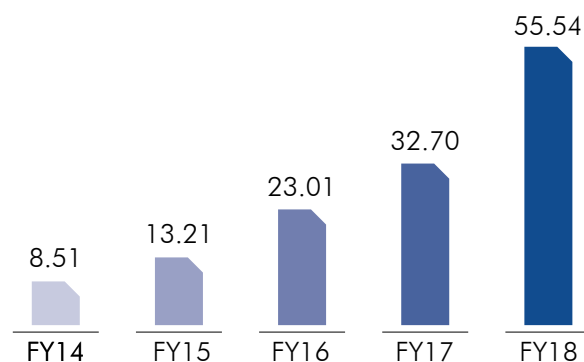
## Network

(₹ in mn)



## EPS

(₹ in mn)



Note: (1) All the figures in the above bar charts are pertaining to the period from 1st April to 31st March.

(2) The figures for FY 17 & FY 18 are as per the applicability of Indian Accounting Standards.

# Chairman's Review

## Dear Shareholders,

The global economy set a cheerful pace and grew by 3.8% in 2017 due to increase in private consumption and investments\*. Favourable financing costs, rising profits and improved business sentiment also contributed to growth across advanced economies and emerging markets.

India too did well on the economic front as the GDP growth rate was 6.6% for FY 2017-18, which helped it remain one of the world's fastest growing major economies. There were some headwinds at the start of the fiscal with the introduction of the Goods and Services Tax (GST), which caused temporary disruption in manufacturing and industrial growth. The GST is helping improve trucks' delivery lead time, simplify tax compliance, deepen economic linkages between states, broaden the tax base and improve revenue collection. Eventually, this will strengthen the broader business environment and drive investment and employment in the country. Consequently, it was a year in which both the Indian auto industry and your Company posted promising growth.

There was some more good news in FY 2017-18 with India gaining a spot among the top 5 as a global investment economy, which reflects in the country's sovereign rating being upgraded from Baa3 to Baa2 by Moody's Investors Service.

## Auto industry drives forward

The Indian auto industry has been able to create a strong domestic and international market, with strong policy support from the Government. The Government aim to develop India as a global manufacturing centre, build an innovative R&D hub and its Automotive Mission Plan: 2016-26 are a boost for our industry. We also expect demand growth from favourable demographics, rising disposable incomes, thrust on the Make in India initiative, abundance of skilled labour and improved access to finance.

A series of reforms, including demonetisation, implementation of Bharat Stage-IV (BS-IV) emission norms, implementation of the GST, and enforcement of overloading norms, have resulted in significant volatility in the purchase considerations of fleet operators, influencing the demand for Commercial Vehicles (CVs). Nevertheless, in

**We reported a 29% revenue growth from sale of products (net of excise duty) of ₹14,788 million in FY 2017-18, compared to ₹11,453 million in FY 2016-17. Simultaneously, our EBIDTA increased 48% to ₹1,716 million in FY 2017-18 against ₹1,156 million in FY 2016-17.**

FY 2017-18, the domestic CV sales have grown by 20% in volume terms over FY 2016-17. Medium and Heavy Commercial Vehicles (M&HCV) Trucks and Light Commercial Vehicles (LCV) Trucks grew by 19.4% and 28%, respectively, in unit terms in the same period.

We are already witnessing progress with new products and advanced technologies entering India through joint ventures, partnerships and acquisitions, due to which the quality and cost competitiveness of Indian auto components is improving steadily.

Automobile exports from India are also on the rise. Low production costs and significant cost advantages are making India an attractive outsourcing hub, leading to domestic companies significantly increasing production capacities.

## Strong financial performance

FY 2017-18 was a strong operational year for Automotive Axles Limited (AAL). Our constant focus on new product development, forward integration with the customers, adherence to stringent quality standards including Built-in Quality (BIQ), improved input-output mix and strict adherence and continuous focus to meet the customers delivery performance were the key drivers for our continuous growth. We reported a 29% revenue growth from sale of products (net of excise duty) of ₹14,788 million in FY 2017-18, compared to ₹11,453 million in FY 2016-17. Simultaneously, our EBIDTA increased 48% to ₹1,716 million in FY 2017-18 against ₹1,156 million in FY 2016-17. Our net profit grew by 70% to ₹839 million in

\*Source: International Monetary Fund

FY 2017-18 against ₹494 million in the previous year and our Earnings Per Share (EPS) stood at ₹55.54 in FY 2017-18, compared to ₹32.70 in FY 2016-17, a growth of 70%.

### Operational excellence

We upgraded our state-of-the-art manufacturing facilities with modern equipment and technologies such as Face-Hob Gear Cutting and Robotic Gear Quenching for enhanced productivity and energy conservation. We have implemented forward integration by incorporating Brake Setting and Oil Filling operations into our production, assembly and testing facilities.

We have also planned to increase our axle capacity and brakes capacity to cater to the increasing demand of our customers.

We are geared up to provide electrical solutions through electric drivetrains for the electrical CVs, which are poised for higher production in India over the next few years. As part of the Make in India programme and to meet the stricter emission norms, our endeavour is to provide indigenous electrical solutions.

We have further reinforced our sustainability efforts by adopting the best business practices on conservation of energy, water, controlling heat treatment processes and creating a peaceful ecosystem.

### Recognition

For our continuous drive towards on-time delivery, I am very proud to announce that your Company has been recognised with a Gold Award for our outstanding performance in meeting our delivery commitments to our key customer Ashok Leyland.

Moreover, your Company has been certified by the Union of Japanese Scientists & Engineers (JUSE) through Quality Circle Forum of India (QCFI) in the month of December 2017 for implementing the best 5S practices across the Company.

### People at AAL

Our people give us the strength to deliver on our commitments. They help us realise our ambition through their

**We upgraded our state-of-the-art manufacturing facilities with modern equipment and technologies such as Face-Hob Gear Cutting and Robotic Gear Quenching for enhanced productivity and energy conservation.**

determination and perseverance. We believe in building an inclusive culture for our people to align their personal and professional goals with the Company's strategic objectives. This way, we attract and retain the industry's best talent.

### Way forward

We are confident of a sustainable future for the organisation owing to our strong team and robust processes. We are treading the path of innovation through digital transformations and constantly improvising to meet the dynamic needs of customers, efficiently. We are constantly calibrating our growth strategies with the objective of delivering value to all our stakeholders. We look forward to strengthening our technical expertise and we are increasing our focus on innovation to leverage our existing expertise and meet our organisational vision and goals.

I take this opportunity to thank our Board, Senior Management team and our staff across the organisation for their contribution to our Company. Together, we make a formidable and sustainable enterprise. Finally, I pay respect to all our stakeholders for their ongoing support and trust in us.

Warm regards,

**Dr. B N Kalyani**  
Chairman

# Board's Report

## To the Members,

Your Directors have the pleasure in presenting the 37th Annual Report on the business and operations of your Company together with the Audited Statements of Accounts for the financial period ended March 31, 2018:

## Financial Highlights:

	(₹ in million)	
Particulars	2017-2018	2016-2017
Total Revenue	15,580.63	13039.92
Profit before depreciation & tax	1710.30	1143.77
Less : Depreciation, amortization & Loss on assets discarded	432.13	393.64
Tax expenses	438.85	255.95
Profit for the year after tax	839.32	494.18
Other comprehensive income for the year, net of tax	(16.35)	(5.93)
<b>Total comprehensive income for the year</b>	<b>822.97</b>	<b>488.25</b>
<b>Balance of Profit from Previous Year</b>	<b>3040.37</b>	<b>2652.16</b>
Less: Dividend	120.90	83.12
Dividend Distribution tax on Dividend	24.62	16.92
<b>Profit available for appropriation</b>	<b>3717.82</b>	<b>3040.37</b>

## Indian Accounting Standards

The Ministry of Corporate Affairs (MCA), vide its notification dated February 16, 2015, notified the Indian Accounting Standards (Ind AS) applicable to certain classes of companies. Ind AS has replaced the existing Indian GAAP prescribed under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014. Being applicable, the Company has adopted Ind AS from April 1, 2017 and accordingly, the transition was carried out, from the Indian GAAP as specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 (previous GAAP) to Ind AS 101 "First time adoption of Indian Accounting Standards".

The impact of transition has been recorded in opening reserves as at April 1, 2016 and the periods presented have been restated / reclassified. The reconciliation and descriptions of the effect of the transition from Indian GAAP to Ind AS have been provided in [Note 39 to 41] in the notes to accounts in the standalone and consolidated financial statements.

## Dividend

The Board, at its meeting held on May 8, 2018, is pleased to recommend a dividend of ₹13.50/- per Equity Share of the face value of ₹10/- each for the financial year ended March 31, 2018 subject to the approval of shareholders at the ensuing Annual General Meeting to be held on Monday, 13th August, 2018.

The total amount of Dividend aggregates to ₹204.01 million, excluding Dividend Distribution Tax.

The register of members and share transfer books will remain closed from August 4, 2018 to August 13, 2018 (both days inclusive) for the payment of final dividend to the shareholders of the Company, for the year ended on March 31, 2018.

The Dividend will be paid to members within 30 days from the date of declaration of dividend to the Members whose names appear in the Register of Members as on August 3, 2018.

## Transfer of unpaid or unclaimed amount to Investor Education and Protection Fund (IEPF)

Pursuant to provisions of the Companies Act, 2013, the declared dividends, which remained unpaid or unclaimed for a period of seven years, shall be transferred by the Company to the Investor Education and Protection Fund (IEPF) established by the Central Government.

Pursuant Section 124(6) of the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 as amended, all shares in respect of which dividend has not been paid or claimed for seven consecutive years or more, shall be transferred by the Company to the IEPF.



Accordingly, the Company has sent notice to the respective shareholders who have not claimed their dividend for seven consecutive years or more and the newspaper advertisement stating the same has been published in the newspapers.

In terms of the provisions of the Companies Act, 2013 and Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 a sum of ₹374,757/- which is unpaid/unclaimed dividends pertaining to the FY 2009-10 was transferred to the Investor Education and Protection Fund during the year.

The list of equity shareholders whose shares are transferred to IEPF can be accessed on the website of the Company at below mentioned link: [www.autoaxle.com/Annual\\_reports.aspx](http://www.autoaxle.com/Annual_reports.aspx) under the head IEPF Transfers

### Performance of the Company

The total income for the financial year under review was ₹15,580.63 Million as against ₹13,039.92 Million for the previous financial year. The Profit before tax (PBT) was ₹1278.17 Million and the Profit after tax (PAT) was ₹839.32 Million for the financial year under review, as against ₹750.13 Million and ₹494.18 Million respectively for the previous financial year.

### Share Capital

The paid up Equity Share Capital as on March 31, 2018 stood at ₹151.12 Million. During the year under review, the Company has not issued shares with differential voting rights nor has granted any stock options nor sweat equity.

### Deposits

Your Company has not accepted any deposits under Chapter V of the Companies Act, 2013 during the year.

### Transfer to Reserve

The company has not proposed any amount to be transferred to the General Reserve.

### Listing

The equity shares of the Company are listed with BSE Limited and National Stock Exchange of India Limited. There are no arrears on account of payment of listing fees to the Stock Exchanges.

### Directors & Key Managerial Personnel:

As on March 31, 2018 there were seven (7) Directors on the Board of your Company, consisting of four (4) Independent

Directors, one (1) Executive Director and two (2) Non-Executive Directors of whom one is the Chairman..

Mr. Chrishan Anton Sebastian Villavarayan (DIN: 03020467) was appointed as an Additional Director of the Board based on nomination received from the Meritor Heavy Vehicle System LLC, one of the promoters, and also on the recommendation of Nomination & Remuneration Committee of the Company, in place of Mr. Joseph A Plomin (DIN: 06739214) who resigned from the Board, with effect from January 31, 2018. The Board places its appreciation for Mr. Plomin's valuable contributions during his tenure. Mr. Villavarayan holds the office upto the ensuing Annual General meeting and his appointment is being sought to be regularised at the ensuing Annual General Meeting.

Mr. Satish Sekhri (DIN: 00211478) has resigned from directorship with effect from February 13, 2018. The Company has, on the recommendation of Nomination & Remuneration Committee and in accordance with provisions of the Act and Securities and Exchange Board of India (Listing Obligations and Disclosure requirements) Regulations, 2015, appointed Mr Rakesh Kalra (DIN: 00780354) as Additional and Independent Director, for a tenure of 5 years on February 13, 2018, subject to approval of Members at the forth coming Annual General Meeting (AGM) of the Company. He shall hold office as Additional Director upto the date of the AGM and is eligible for appointment as Director.

In terms of the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Dr. Narayanaswamy Muthukumar, President & Whole Time Director of the Company retires by rotation at the ensuing Annual General Meeting and, being eligible, offers himself for re-appointment.

Ms. Thejeshwini. N, Company Secretary resigned from her office with effect from 18th August, 2017 and Mr. Debadas Panda has been appointed as Company Secretary of the Company with effect from 18th August, 2017.

### Declaration by Independent Directors

The Company has received declarations from all the Independent Directors of the Company confirming that they meet with the criteria of independence and that there has been no change in the circumstances which may affect their status as independent director during the year as prescribed

under sub-section (6) of Section 149 of the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure requirements) Regulations, 2015.

### Board Evaluation:

The Companies Act, 2013 states that a formal Annual Evaluation needs to be made by the Board of its own performance and that of its committees and individual Directors. Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, mandates that the Board shall monitor and review the Board evaluation framework. Pursuant to these provisions, the Company has developed a framework for the Board evaluation. The framework includes evaluation on various parameters such as information flow, Board dynamics, decision making, company performance and strategy, Board and committee's effectiveness and peer evaluation.

The evaluation of all the Directors and the Board as a whole was conducted based on the criteria and framework adopted by the Board.

During the year 2017-18, Independent Directors met on February 13, 2018, discussed and reviewed the below:

- Performance of Non Independent Directors
- Performance of the Chairman
- Performance of the Board Committees
- Discussed on the quality, quantity and timeliness of flow of information between the Company management and the Board Members.
- Overall performance of the Company.

### Familiarization programme for the Board Members

Your Company has in place a structured induction and familiarization programme for all its Directors including Independent Directors and new appointee(s) to the Board. Through such programs, the Directors are briefed on the background of your Company, their roles, rights, responsibilities, nature of the industry in which it operates, business model operations, ongoing events etc.

The Board members are provided with the necessary documents, brochures, reports and internal policies to enable them to familiarize with the Company's procedure and practice.

Periodic presentations are made at the Board Meetings, Board Committee Meetings and Independent Directors

Meetings on business and overall performance updates of the Company, business strategy and risk involved.

The details of programs for Familiarization for Independent Directors are posted on the website of the Company and can be accessed at: [www.autoaxle.com/Directors.aspx](http://www.autoaxle.com/Directors.aspx)

### Directors' Responsibility Statement

Pursuant to the requirements under Section 134(5) of the Companies Act, 2013 with respect to Directors' Responsibility Statement, your Directors make the following statements:

- (a) in the preparation of the annual accounts for the year ended March 31, 2018, the applicable accounting standards have been followed along with proper explanation relating to material departures if any;
- (b) we 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 as at March 31, 2018 and of the profit of the company for the year ended on that date;
- (c) we 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;
- (d) we have prepared the annual accounts on a going concern basis;
- (e) we have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively;
- (f) we have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

### Auditors & Auditors' Report

#### a. Statutory Auditors

At the 36th Annual General Meeting of the Company held on 18th August, 2017, M/s. S R Batliboi & Associates LLP, Chartered Accountants [Firm Registration No.: 101049W/E300004], were appointed as Statutory Auditors to hold office upto the conclusion of the 41st Annual General Meeting of the Company subject to



ratification of appointment at every Annual General Meeting. However, the Companies (Amendment) Act, 2017, published in the Gazette of India on January 3, 2018, omitted first proviso to Section 139(1) of Companies Act 2013, which provided for ratification of appointment of Statutory Auditors by members at every AGM which has been effective from May 7, 2018.

In view of the above, the Board of Directors of the Company have proposed to ratify the appointment of Statutory Auditors and recommended to continue their appointment for the period of four years commencing from the conclusion of this AGM, till the conclusion of 41st AGM, without seeking any further ratification of their appointment from members at the ensuing AGMs.

The Notes on financial statement referred to in the Auditors' Report are self-explanatory and do not call for any further comments. The Auditors' Report does not contain any qualification, reservation or adverse remark.

Further, no frauds have been reported by the Auditors in their reports.

#### **b. Internal Auditor**

The Audit Committee and the Board of Directors recommend for the re-appointment of M/s. Pricewaterhouse Coopers Pvt. Ltd. as Internal Auditors of the Company for the Financial Year 2018-19.

#### **c. Secretarial Auditor**

Pursuant to the provisions of the Section 204 of the Companies Act, 2013 and the rules made there under and based on the recommendations of the Audit Committee, CS Pracheta M, Practicing Company Secretary has been appointed to conduct Secretarial Audit of the Company's secretarial and other related records for the Financial year 2017-18.

The Secretarial Audit Report for the financial year ended March 31, 2018 in form MR-3 is appended to this report under **Annexure – A**

#### **Explanation for observations made by the Company Secretary in practice:**

Explanation for observation under clause no. (a) of the Secretarial Audit Report please refer to the reason for 'part of CSR Amount Un-spent' mentioned in **Annexure – G** attached to this report.

Explanation for observation under clause no. (b) of the Secretarial Audit Report: Company has good systems and practices for compliances under the Companies Act, 2013 and the Secretarial Standards. During the year Company has met with all the compliance requirements and its process except for few suggestions on improvement on current procedural requirements and henceforth which would be taken care with.

#### **Internal Financial Control**

The Board has adopted policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial disclosures.

During the year, such controls were tested and no reportable material weaknesses in the design or operation were observed.

#### **Corporate Governance**

Corporate Governance is about maximizing the value and to ensure fairness to all its shareholders. Your Company is renowned for its exemplary governance standards and believe that sound corporate governance is critical to enhance and retain investor trust. Your Company ensures that performance is driven by integrity.

The Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 have strengthened the governance regime in the country and your Company is in compliance with the governance requirements provided under the law both in letter and spirit. The Board also exercises its fiduciary responsibilities in the widest sense of the term.

Your Company has in place all the statutory committees required under the law. Details of the Board Committees along with their terms of reference, composition and meeting of the Board and its Committees held during the year are provided in the Corporate Governance Report which is presented in a separate section forming part of the Annual Report.

A Certificate from an Independent Practicing Company Secretary confirming compliance with the conditions of Corporate Governance as stipulated under the aforesaid Regulation 34(3) Schedule V (E) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is attached to the Corporate Governance Report.

## Meetings of the Board

During the financial year, the Board met four times, details of which are provided in the Corporate Governance Report. The maximum interval between any two meetings did not exceed 120 days as prescribed under the Companies Act, 2013.

## Committees of the Board

Your Company has the following committees which have been established as a part of the corporate governance practices and are in compliance with the requirements of the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015.

- Audit Committee
- Nomination and Remuneration Committee
- Stakeholders Relationship Committee
- Corporate Social Responsibility Committee
- Risk Management Committee

The details with respect to the compositions, roles, number of meetings held during the year is detailed in the corporate governance report of the Company, which forms a part of this Board's Report.

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

The particulars relating to conservation of energy, technology absorption, foreign exchange earnings and outgo, as required to be disclosed under Section 134 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 are appended as **Annexure - B** to this report.

## Particulars of Remuneration of Directors & certain specified employees:

In terms of the provisions of Section 197(12) of the Companies Act, 2013 read with Rule 5 of Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014, the ratio of remuneration of each Director to the median of the employees' remuneration, a statement containing the names of top ten employees in terms of remuneration drawn and every employee who is employed throughout the financial year and was in receipt of a remuneration of ₹102 lacs per annum or more and of every employee who is employed part of the financial year, was in receipt of remuneration of ₹8.50 lacs or more per month is appended as **Annexure - C**.

## Extract of Annual Return 2017-18

The detail forming part of the extract of Annual Return in MGT-9 is appended as **Annexure - D** to this report.

Particulars of Loans, Guarantees or Investment under section 186 of the Companies Act, 2013

Particulars of loans covered under section 186 of the Companies Act, 2013 form part of the notes to the financial statement provided in this Annual Report. These loans are primarily granted for furtherance of business of the borrowing companies.

Your Company has not given any guarantee or provided any security in connection with a loan to any other body corporate or persons and has not made any investment in the securities of any other body corporate.

## Policy on Directors' Appointment & Remuneration

The current policy is to have an appropriate mix of executive and independent directors to maintain the independence of the Board and separate its functions of governance and management. On March 31, 2018, the Board consisted of seven members, one of whom is executive or whole-time director, two are non executive directors and four are independent directors out of whom one is Independent Woman Director.

The Board has, on the recommendation of the Nomination and Remuneration Committee, framed a policy for selection and appointment of Directors, Key Managerial Personnel and Senior Management Personnel and their remuneration.

The Nomination and Remuneration policy is appended as **Annexure - E** to this report.

## Particulars of contracts or arrangements with Related Parties (RPT)

The related party transactions that were entered into during the financial year were in the ordinary course of business and on the arm's length basis.

All related party transactions are placed before the Audit Committee and also the Board for approval. Prior omnibus approval of the Audit Committee is obtained on a yearly basis for the transactions, which are foreseen and of repetitive nature.