

29TH

Annual Report

2015-2016



PHOENIX INTERNATIONAL LIMITED

CIN: L74899DL1987LC030092

3rd Floor, Gopala Tower 25, Rajendra Place, New Delhi-110008

BOARD OF DIRECTOR

Mr. Arun K. Sinha, Non Executive and Independent Director
Mr. Narendra Agarwal, Non Executive and Independent Director
Mr. Narender Makkar, Executive Director
Mr. P.M. Alexander, Non Executive Director
Mrs. Rekha Mittal, Non Executive and Independent Director

COMPANY SECRETARY

Mr. Narender Makkar

AUDITORS

M/s Pradip Bhardwaj & Co.
LG-47, Ansal Fortune Arcade
Sector-18, Noida(U.P)-201301

REGISTRAR & TRANSFER AGENT

Mas Services Ltd.
T-34, 2nd Floor,
Okhla Industrial Area, Phase-II
New Delhi-110020

REGISTERED OFFICE

3rd Floor, Gopala Tower
25, Rajendra Place,
New Delhi-110008

Works

Door No. 35/1, Ground Floor,
Five Furlons Road, Maduvankarai, Guindy, Chennai-600032
Telephone: 044-2240638,

CONTENTS**PAGE NO.****PHOENIX INTERNATIONAL LIMITED**

Notice	01-04
Director Report	05-10
Report on Corporate Governance	11-41
Auditor Report	42-45
Balance Sheet	46-46
Profit & Loss Account	47-47
Cash Flow Statement	48-48
Significant Accounting Policies	49-50
Notes to Accounts	51-62

CONSOLIDATED FINANCIAL STATEMENTS

Auditors' Report	63-65
Balance Report	66-66
Profit & Loss Account	67-67
Cash Flow Statement	68-68
Significant Accounting Policies	69-70
Notes to Accounts	71-80



NOTICE

NOTICE IS HEREBY GIVEN THAT THE 29TH ANNUAL GENERAL MEETING OF THE MEMBERS OF PHOENIX INTERNATIONAL LIMITED WILL BE HELD ON THURSDAY, THE 29TH DAY OF SEPTEMBER, 2016 AT 10.00 A.M. AT LOK KALA MANCH, 20 INSTITUTIONAL AREA, LODHI ROAD, NEW DELHI - 110003, TO TRANSACT THE FOLLOWING BUSINESSES:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company (including Audited consolidated financial statements) for the financial year ended March 31, 2016 together with the Reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. Narender Makkar (DIN: 00026857), who retires by rotation and being eligible, offers himself for re-appointment.
3. To ratify the appointment of the Auditors and fix their remuneration 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, 142 and such other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules 2014, as amended from time to time, pursuant to the recommendations of the Audit committee of the Board of Directors and pursuant to the resolution passed by the members at the Annual General meeting held on September 29, 2014, the appointment of M/s Pradip Bhardwaj & Co., Chartered Accountants (ICAI Firm Registration No. 013697C) as the Auditors of the Company to hold office till the conclusion of the next Annual General Meeting be and is hereby ratified and that the Board of Directors be and is hereby authorised to fix the remuneration payable to them plus service tax, out of pocket expenses, travelling etc. for the financial year ending March 31, 2017, as may be agreed upon between the Board of Directors of the Company and the Auditors in connection with Statutory Audit and /or continuous audit under the Companies Act, 2013.”

Special Business

4. 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 Sections 149, 150, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, , Mrs. Rekha Mittal, (DIN: 01852431), who was appointed as an Additional Director in the capacity of Independent Director of the Company by the Board of Directors effective December 30, 2015 and who holds office till the date of the Annual General Meeting in terms of Section 161 of the Companies Act, 2013, and in respect of whom the Company has received a notice in writing from a member in terms of Section 160 of the Companies Act, 2013 signifying his intention to propose Mrs. Rekha Mittal (DIN 01852431) as a candidate for the office of Director of the Company, be and is hereby appointed as an Independent Director of the Company for a period of five years with effect from December 30, 2015 and the term shall not be subject to retirement by rotation.”
5. 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 Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (“Act”) and the Rules framed there under read with Schedule IV to the Act, as amended from time to time, Mr. Narendra Aggarwal (DIN: 00027347), a non-executive independent director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment and in respect of whom the Company has received a notice in writing from a member in terms of Section 160 of the Companies Act, 2013 signifying his intention to propose Mr. Narendra Aggarwal (DIN: 00027347), as a candidate for the office of Director of the Company, be and is hereby appointed as an Independent Director of the Company not liable to retire by rotation and to hold office for 5 (five) consecutive years for a term up to September 28, 2021.”

For and on behalf of the Board of Directors
For Phoenix International Limited

Place: New Delhi
Date: 12.08.2016

P M Alexander
Chairman

**NOTES:**

- a) The Explanatory Statement pursuant to Section 102 (1) of the Companies Act, 2013 ("Act") in respect of the business under Item no. 4 and 5 as stated above and details as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") in respect of Directors seeking appointment at this Annual General Meeting are annexed hereto.
- b) 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 THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE VALID AND EFFECTIVE MUST BE LODGED AS PER THE FORMAT INCLUDED IN THE ANNUAL REPORT AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME FOR HOLDING THE MEETING. Proxies submitted on behalf of limited companies, societies, partnership firms, etc. must be supported by appropriate resolution/ authority, as applicable, issued by the Member organization.

A person can act as a proxy on behalf of Members (not exceeding 50 Members) and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. 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 a proxy for any other person or a Member.
- c) Corporate Members intending to send their authorised representatives to attend the Meeting are requested to send to the Company, a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
- d) The register of members and shares transfer books of the Company will remain closed on September 29, 2016.
- e) In case of joint holder attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
- f) All documents referred to in the Notice and the accompanying Statement are available for inspection by the Members at the registered office of the Company on all working days between 10.00 a.m. to 4.00 p.m. up to the date of this Annual General Meeting.
- g) Members who hold shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company.
- h) Non-Resident Indian Members are requested to inform the Company's Registrars and Transfer Agents, immediately of:
 - a) Change in their residential status on return to India for permanent settlement.
 - b) Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.
- i) SEBI has mandated the submission of Permanent Account Number (PAN) for participating in the securities market, deletion of name of deceased holder, transmission/transposition of shares. Members are requested to submit the PAN details to their Depository Participant in case of holdings in dematerialized form and to the Company's Registrars and Transfer Agents, mentioning their correct reference folio number in case of holdings in physical form.
- j) Members holding shares in dematerialised mode are requested to intimate all changes pertaining to their bank details, NECS, mandates, nominations, power of attorney, change of address/ name, PAN details, etc. to their Depository Participant only and not to the Company's Registrars and Transfer Agents. Changes intimated to the Depository Participant will then be automatically reflected in the Company's records which will help the Company and its Registrars and Transfer Agents to provide efficient and better service to the Members.
- j) Members seeking any information with regard to Accounts are requested to write to the Company at least 10 days before the date of Annual General Meeting, so as to enable the Management to keep the information ready at the Meeting.
- k) As an austerity measure, copies of the Annual Report will not be distributed at the Annual General Meeting. Members are requested to bring their attendance slip alongwith a copy of Annual Report to the Meeting.
- l) Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with relevant provisions of Companies (Management and Administration) Rules, 2014, companies can serve Annual Reports and other communications through electronics mode to those members who have registered their email address either with Company or with the Depository.
- m) To support the 'Green Initiative', the Members who have not registered their email addresses so far are requested to register the same with Company's Registrars and Transfer Agents/ Depositories.
- n) Members may note that the Notice of the 29th Annual General Meeting and Annual Report for 2016 will also be available on the Company's website: www.phoenixindia.com for their download. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making request for the same by post free of Cost.
- o) The Equity Shares of the Company are listed with the Stock exchange at Delhi and Bombay. However, Delhi Stock exchange is now non-operational/ de-recognized. The Securities & Exchange Board of India (SEBI) vide circular No.CIR/MRD/DSA/18/2014 dated 22nd May, 2014 read with circular No.CIR/MRD/ DSA/05/2015 dated 17th April, 2015, inter-alia, stated that the companies exclusively listed on the non-operational/de-recognized stock exchanges which fail to obtain listing in any other nationwide stock exchange will cease to be listed companies and will be moved to the dissemination board. However the Company's Shares are listed at Bombay Stock Exchange Limited. Therefore, no annual listing fee for the year 2015-16 has been paid to Delhi Stock Exchange.



- p) Voting through Electronics means: Pursuant to the provisions of Section 108 of the Companies Act 2013 read with Rule 20 of the Companies (Management and Administration) Rules 2014, the Company is offering e-voting facility to its members. Detailed procedures are given in the enclosed letter.

PROCESS FOR MEMBERS OPTING FOR E-VOTING

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 Regulation 44 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, the Company will be providing members facility to exercise their right to vote on resolutions proposed to be considered at the ensuing Annual General Meeting (AGM) 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 AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL). The detailed procedure to be followed in this regard has been given in Annexure – A to the notice. The members are requested to go through them carefully.

**EXPLANATORY STATEMENT
PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**

As required by Section 102 of the Companies Act, 2013 (Act), the following explanatory statement sets out all material facts relating to the business mentioned under Item No(s) 4 and 5 of the accompanying Notice:

ITEM NO. 4:

The Board of Directors in their meeting held on December 30, 2015 appointed Mrs Rekha Mittal as Additional Director of the Company in the capacity of Independent Directors with effect from December 30, 2015 pursuant to Section 161 of the Act read with the provision of Articles of Association of the Company. In terms of section 160 of the Companies Act, 2013, the Company has received notice in writing from member along with a deposit of Rs. 1 Lakh proposing the candidature of Mrs. Rekha Mittal for appointment as Independent Director as per the provisions of sections 149 and 152 of the Act.

Mrs. Rekha Mittal has given declaration to the Board of Directors of the Company that she met the criteria of Independence as required under Section 149 of the Companies Act, 2013. In the opinion of the Board of Directors, she fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for her appointment as Independent Director of the Company and she is independent of the management. She is not disqualified from being appointed as Director in terms of Section 164 of the Companies Act, 2013. In terms of Section 160 of the Companies Act, 2013, the Company has received notice in writing from member along with a deposit of Rs. 1 Lakh proposing the candidature of Mrs. Rekha Mittal to be appointed as Independent Director as per the provisions of the Companies Act, 2013.

Except Mrs. Rekha Mittal, being appointee or her relatives, none of the Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested financially or otherwise, in the resolution set out at item No. 4. The Board of Directors recommend the resolution at Item No. 4 for approval of the Members.

ITEM NO. 5:

In accordance with the provisions of Section 149 read with Schedule IV to the Act, appointment of an Independent Director requires approval of members. Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors have proposed that Mr. Narendra Aggarwal be appointed as an Independent Director of the Company. The appointment of Mr. Narendra Aggarwal shall be effective upon approval by the members in the Meeting. The Company has received a notice in writing from a member along with the deposit of requisite amount under Section 160 of the Act proposing the candidature of Mr. Narendra Aggarwal for the office of Director of the Company.

Mr. Narendra Aggarwal is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director. The Company has received a declaration from Mr. Narendra Aggarwal that he meets the criteria of independence. In the opinion of the Board, Mr. Narendra Aggarwal fulfils the conditions for his appointment as an Independent Director as specified in the Act and the SEBI Regulations. Mr. Narendra Aggarwal is independent of the management and possesses appropriate skills, experience and knowledge.

Except Mr. Narendra Aggarwal, being appointee or his relatives, none of the Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested financially or otherwise, in the resolution set out at item No. 5. The Board of Directors recommend the resolution at Item No. 5 for approval of the Members.

PHOENIX INTERNATIONAL LIMITED



Brief Resume of Directors/persons seeking appointment/ re-appointment at the Annual General Meeting scheduled to be held on September 29, 2016 (Pursuant to Regulation 36(3) of the SEBI (Listing Obligation and Disclosure Requirements), Regulations 2015

Name of the Director	Mr. Narender Makkar	Mrs. Rekha Mittal	Mr. Narendra Aggarwal
Date of Birth Age	04.04.1962 54	24.08.1982 34 years	15.10.1960 55
Nationality	Indian	Indian	Indian
Date of Appointment	02.08.1999	30.12.2015	31.01.2005
Relationship with Directors and Key Managerial Personnel	None	None	None
Expertise in specific functional area	Accounts, Finance and Taxation	Corporate Affairs, Secretarial & Legal	International Trade
Qualification	CA & CS	Master's Degree in Commerce, Company Secretary, Law Graduate	BA, Dip in International Trade
Board Membership of other listed companies as on March 31, 2016	1. Phoenix Real Time Services Limited 2. Focus Offshore Services Private Limited 3. Indus Gas Transmission Limited 4. Savare Trade Enterprises Limited 5. Phoenix International Finance Limited 6. Yellow Valley Leasing and Finance Limited 7. Fitzroy Exports Private Limited 8. S P Regina Resources Private Limited 9. Focus Energy Limited	-None	1. Spartan Agro Industries Limited 2. Phoenix Land Development Limited 3. Phoenix International Finance Limited 4. Phoenix Hydro Carbons Limited 5. Phoenix Real Times Limited 6. Phoenix Cement Limited 7. Phoenix Power Development Limited 8. Phoenix Industries Limited 9. Granada Elevator Private Limited
Chairman/ Member of the Committee of the Board of Directors as on March 31, 2016			
a) Audit Committee	Member	None	Member
b) Shareholders' Grievance Committee	Member	None	None
c) Board Governance and Nomination Committee	None	None	None
d) Compensation Committee	None	None	None
e) Other Committee	None	None	None
Number of shares held in the Company as on March 31, 2016	NIL	NIL	NIL

Note:

- The Directorships, Committee Memberships and Chairmanships do not include positions in foreign companies, unlisted companies and private companies, position as an advisory board member and position in companies under Section 8 of the Companies Act, 2013. Information pertaining to remuneration paid to the Directors who are being appointed/re-appointed and number of Board meetings attended by them during the year 2015-16 is provided in the Corporate Governance Report.
- The proposal for appointment/re-appointment and revision in terms of remuneration of Directors has been approved by the Board pursuant to the recommendation of the Board Governance, Nomination and Compensation Committee considering their skills, experience and knowledge and positive outcome of performance evaluation.



Directors' Report

To,

The Members,

Your Directors have pleasure in presenting their 29th Annual Report on the business and operations of the Company along with the audited accounts for the Financial Year ended March 31, 2016.

1. Financial summary or highlights/Performance of the Company

Particulars	Standalone		Consolidated	
	Year Ended 31.03.2016	Year Ended 31.03.2015	Year Ended 31.03.2016	Year Ended 31.03.2015
Sales & Other Income	382,580,042	393,928,774	38,267,1272	39,393,3024
Profit / (Loss) before Depreciation	25,598,524	27,857,041	24,591,894	27,034,029
Less Depreciation	6,603,474	13,145,131	7,389,440	14,589,032
Profit / (Loss) after Depreciation but before Extra Ordinary	18,995,050	14,711,910	17,202,454	12,444,997
Items				
Add: Extra Ordinary Items	-	-	-	-
Profit / (Loss) after Extra Ordinary Items – but before Tax	18,995,050	14,711,910	17,202,454	12,444,997
Less: Provision for Income Tax/ Deferred Tax Liability	9,263,199	5,500,000	9,263,199	5,500,000
Profit / (Loss) After Tax	9,731,851	9,211,910	7,939,255	6,944,997

2. Dividend

To implement the plans and to expand the business activities, your Directors do not recommend any dividend for the financial year ended March 31, 2016.

3. Reserves

The Board has not proposed any amount to carry to any reserves

4. Performance

On Standalone basis, revenue from operations for FY 2015-16 were Rs. 38.25 Crore as compared to Rs.39.39 Crore in FY 2014-15. Profit after tax for the year was Rs.97.32 lacs as compared to Rs. 92.12 lacs in FY 2014-15.

5. Brief description of the Company's working during the year/State of Company's affair

The division wise working details are as under

Particulars	Rs. in Lach
Rentals	1533.77
Shoes Uppers	2205.01

6. Change in the nature of business, if any

There were no changes in the nature of business of the Company.

7. Material changes and commitments, if any, affecting the financial position of the company which have occurred between the end of the financial year of the company to which the financial statements relate and the date of the report

There are no material changes and commitments which have occurred between the end of the financial year of the company to which the financial statement relate and the date of the report, which may affect the financial position of the company.

8. Details of significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future

There were no significant and material orders passed by any regulators or courts or tribunals which may impact the going concern status and company operation in future.



9. Details in respect of adequacy of internal financial controls with reference to the Financial Statements.

The company has identified and documented all key financial controls which impact the financial statements, as part of its standing operating procedures (SOPs). The SOPs are designed for all critical processes across office where financial transactions are undertaken. The SOPs cover the standard processes, risks, key controls and each process is identified to process owner. The financial controls are tested for effectiveness through management ongoing monitoring and review and independently by the internal audit. In our view the internal financial controls, effecting financial statements are adequate and operating effectively.

10. Details of Subsidiary Companies

Phoenix Cement Limited and Phoenix Industries Limited are two subsidiaries companies during the year.

There are no associate companies or joint venture companies as per the Companies Act, 2013.

Consolidated Financial Statements

As required under the SEBI Listing Regulations, consolidated financial statements of the Company and its subsidiaries, prepared in accordance with Accounting Standard 21 issued by the Institute of Chartered Accountants of India, form part of the Annual Report and are reflected in the consolidated financial statements of the Company. Pursuant to Section 129(3) of the Act, a statement containing the salient features of the financial statements of the subsidiary companies is attached to the financial statements in Form AOC-1. (Annexure-1) The Company will make available the said financial statements and related detailed information of the subsidiary companies upon the request by any member of the Company or its subsidiary companies. These financial statements will also be kept open for inspection by any member at the Registered Office of the Company. and the subsidiary companies. Pursuant to the provisions of Section 136 of the Act, the financial statements of the Company, consolidated financial statements along with relevant documents and separate audited accounts in respect of subsidiaries, are available on the website of the Company.

11. Performance and financial position of each of the subsidiaries, associates and joint venture companies included in the consolidated financial statement.

The performance and financial position of the two subsidiary company are as under.

(in Rs.)

Performance	Phoenix Cement Limited	Phoenix Industries Limited
Income	91,231	NIL
Expenditure	257,013	1,626,813
Net Profit / (Loss)	(165,782)	(1,626,813)
Financial Position		
Share Capital	82,95,35,700	9,43,23,000
General reserves	(556,175,823)	(224,789,499)

12. Deposits

The Company has neither invited nor accepted any deposits from the public falling in the ambit of Section 73 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 during the period under review. Accordingly, no disclosures are required in this regard by the Company.

13. Statutory Auditors

The Auditors M/s. Pradip Bhardwaj & Co, Chartered Accountant (ICAI Firm Registration No. 013697C), New Delhi, were appointed as Statutory Auditors for a period of 3 years from financial year 2014 to financial year 2017 at the Annual General Meeting (AGM) held on September 30, 2014. However in terms of provisions of provision of Section 139 (1) of Companies Act, 2013 and rules made there under, the appointment of Auditors is required to be ratified by the Members of the Company at every Annual General Meeting.

The Company has received a letter from auditor confirming that they are eligible for re-appointment as auditors of the Company under Section 139 of the Companies Act, 2013 and meet the criteria for appointment specified in Section 141 of the Companies Act, 2013.

Based on the recommendations of the Audit Committee and as per the provision of Section 139(1) of the Companies Act, 2013 and the Board of Directors of your Company proposes to ratify the appointment of M/s. Pradip Bhardwaj & Co, Chartered Accountant (ICAI Firm Registration No. 013697C), New Delhi, as Statutory Auditors of the Company for the financial year ending 2017.

14. Auditors' Report

The observation made in the Auditors' Report read together with relevant notes thereon are self explanatory and hence, do not call for any further comments under Section 134 of the Companies Act, 2013. The Auditor's Report does not contain any qualification, reservation, adverse remark or disclaimer.



15. Share Capital

A) Issue of equity shares with differential rights

The Company has not issued any Equity Shares during the year under review.

B) Issue of sweat equity shares

The Company has not issued any Sweat Equity Shares during the year under review.

C) Issue of employee stock options

As the Company has not issued any Employee Stock Options during the year under review, hence there is nothing to disclose as required under Rule 12 (9) of the Companies (Share Capital and Debentures) Rules, 2014.

D) Provision of money by company for purchase of its own shares by employees or by trustees for the benefit of employees

As the Company has not made provision of money for purchase of its own shares by Employee or by trustee for the benefit of employees during the year under review, hence there is nothing required to disclose the details as required under rule 16 (4) of Companies (Share Capital and Debentures) Rules, 2014

E) Listing of Shares

The Equity Shares of the Company are listed with Delhi Stock Exchange and Bombay Stock Exchange. The Delhi Stock Exchange is now non operational / de-recognized. The Securities & Exchange Board of India (SEBI) vide circular No.CIR/MRD/DSA/18/ 2014 dated 22nd May, 2014 read with circular No.CIR/ MRD/DSA/05/2015 dated 17th April, 2015, inter-alia, stated that the companies exclusively listed on the non-operational/de-recognized stock exchanges which fail to obtain listing in any other nationwide stock exchange will cease to be listed companies and will be moved to the dissemination board. However the Share of the Company is listed with Bombay Stock Exchange.

16. Extract of the Annual Return

As provided under Section 92(3) of the Act, the details forming part of the extract of the Annual Return is annexed herewith in Form MGT 9 Annexure-2.

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

The particulars as prescribed under sub-section (3)(m) of Section 134 of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 are given in the 'Annexure-3, which is annexed hereto and forms a part of the Boards' Report.

Foreign exchange earnings and Outgo:

Description	Value in Rs.
Earning in foreign currency/Export Sales	NIL
Remittance in foreign currency-material & others including travelling	1359.38 Lacs

18. Directors:

A) Appointment / Re-Appointment of Directors

Pursuant to the provisions of Section 152 of the Companies Act, 2013 and provision of the Articles of Association of the Company, Mr. Narender Makkar (DIN-00026857) Director of the Company, is liable to retire by rotation and being eligible offers himself for re-appointment. The disclosures required pursuant to Regulation 36 of SEBI Listing Regulations are given in the Notice of the AGM, forming part of the Annual Report. Attention of the Members is invited to the relevant items in the Notice of the AGM and the Explanatory Statement thereto.

B) Independent Directors

During the year Mrs Rupali Chawla resigned from the Board in the capacity of Independent Director w.e.f. 09.11.2015. The Board has placed on record its appreciation for the valuable guidance and support received from Mrs. Rupali Chawla during her association with the Company. Pursuant to the provisions of Section 149 of the Act read along with the Rules framed thereunder and the Resolutions passed by the Members at the Annual General Meeting held on 30.09.2015, Mr Arun Kumar Sinha would continue as Independent Director upto 30.09.2019. Mrs. Rekha Mittal was appointed as Additional Director in the capacity of Independent Director in the Board Meeting held on 30th December, 2015 upto the date of this Annual General Meeting. In terms of section 160 of the Companies Act, 2013, the Company has received notice in writing from member along with a deposit of Rs. 1 Lakh proposing the candidature of Mrs. Rekha Mittal for appointment as Independent Director as per the provisions of sections 149 and 152 of the Act.

The Board of Directors have proposed that Mr. Narendra Aggarwal be appointed as an Independent Director of the Company. The appointment of Mr. Narendra Aggarwal shall be effective upon approval by the members in the Meeting. The Company has received a notice in writing from a member along with the deposit of requisite amount under Section 160 of the Act proposing the candidature of Mr. Narendra Aggarwal for the office of Director of the Company.



All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Act and Regulation 16 of the SEBI Listing Regulations.

KEY MANAGERIAL PERSONNEL

The following Directors/Executives continued as KMPs of the Company during Fiscal 2016:

Mr. Arun Kumar Sinha, Independent Director

Mr. P M Alexander, Director

Mr. Narendra Aggarwal

Mr. Narender Makkar, Director & Company Secretary

GOVERNANCE GUIDELINES

During the year under review, the Company adhered to the Governance Guidelines on Board Effectiveness. The Governance Guidelines cover aspects related to composition and role of the Board, Chairman and Directors, Board diversity, definition of independence, director term, retirement age and Committees of the Board. It also covers aspects relating to nomination, appointment, induction and development of directors, director remuneration, subsidiary oversight, Code of Conduct, Board Effectiveness Review and Mandates of Board Committees.

Selection and procedure for nomination and appointment of Directors

The Nomination and Remuneration Committee ("NRC") is responsible for developing competency requirements for the Board based on the industry and strategy of the Company. The Board composition analysis reflects in-depth understanding of the Company, including its strategies, environment, operations, financial condition and compliance requirements.

The NRC conducts a gap analysis to refresh the Board on a periodic basis, including each time a Director's appointment or reappointment is required. The Committee is also responsible for

reviewing and vetting the CVs of potential candidates vis-à-vis the required competencies, undertake a reference and due diligence and meeting potential candidates, prior to making recommendations of

their nomination to the Board. At the time of appointment, specific requirements for the position, including expert knowledge expected, is communicated to the appointee.

Criteria for Determining Qualifications, Positive Attributes and Independence of a Director

The NRC has formulated the criteria for determining qualifications, positive attributes and independence of Directors in terms of provisions of Section 178 (3) of the Act and Regulation 19 read along with Schedule II of SEBI Listing Regulations, which is annexed as Annexure-4

REMUNERATION POLICY

The Company has in place a Remuneration Policy for the Directors, Key Managerial Personnel and other employees, pursuant to the provisions of the Act and Regulation 19 of SEBI Listing Regulations, and the same is annexed as Annexure-7

BOARD EVALUATION

Pursuant to the provisions of the Act and the Corporate Governance requirements as prescribed by SEBI Listing Regulations, the Board has carried out an annual evaluation of its own performance and that of its Committees and individual Directors.

The performance of the Board and individual Directors was evaluated by the Board seeking inputs from all the Directors. The performance of the Committees was evaluated by the Board seeking inputs from the Committee Members. The NRC reviewed the performance of the individual Directors, a separate meeting of Independent Directors was also held to review the performance of Non-Independent Directors, performance of the Board as a whole and performance of the Chairman of the Company, taking into account the views of Executive Directors and Non-Executive Directors. This was followed by a Board Meeting that discussed the performance of the Board, its Committees and individual Directors.

The criteria for performance evaluation of the Board included aspects like Board composition and structure, effectiveness of Board processes, information and functioning etc. The criteria for performance evaluation of Committees of the Board included aspects like composition of Committees, effectiveness of Committee meetings etc. The criteria for performance evaluation of the individual Directors included aspects on contribution to the Board and Committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings etc. In addition, the Chairman was also evaluated on the key aspects of his role.

FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

The details of the programme for familiarisation of the Independent Directors with the Company in respect of their roles, rights, responsibilities in the Company, nature of the industry in which Company operates, business model of the Company and related matters are put up on the website of the Company.