



# Frontier Springs Ltd.

REGD. OFFICE & FACTORY : KM 25/4, KALPI ROAD, RANIA, KANPUR DEHAT - 209 304 U.P. (INDIA)

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CIN No. : L17119UP1981PLC005212

Date: 05.10.2017

The Department of Corporate Services  
The BSE Limited,  
25<sup>th</sup> Floor, P.J. Towers,  
Dalal Street,  
Mumbai-400001

**Sub: Submission of Annual Report in terms of Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 for the financial year 2016-17**

**Ref: Frontier Springs Limited (BSE Scrip Code: 522195)**

Dear Sir,

Please find attached herewith Annual Report for the financial year 2016-17 in terms of Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015

Kindly take the same on record and oblige.

Thanking You,

Yours Faithfully,

For Frontier Springs Limited

  
KM 25/4  
Kalpi Road  
Rania, Kanpur Dehat  
(Company Secretary)  
Encl's: As above



SERVING THE NATION SINCE 1980

# FRONTIER SPRINGS LIMITED

## ANNUAL REPORT 2016-2017

### BOARD OF DIRECTORS

Shri KUNDAN LAL BHATIA, *Chairman & Managing Director*  
Shri KAPIL BHATIA, *Managing Director*  
Shri NEERAJ BHATIA, *Whole Time Director*  
Smt. MAMTA BHATIA, *Whole Time Director*  
Smt. MANJU BHATIA, *Whole Time Director*  
Shri SARABJIT SINGH, *Independent Director* (Appointed w.e.f. 12.11.2016)  
Shri R.N. TRIVEDI, *Independent Director*  
Shri YASHPAL, *Independent Director*  
Shri R. K. BHATIA, *Independent Director*  
Shri NIMESH MUKERJI, *Independent Director* (Appointed w.e.f. 09.02.2017)  
Shri N.P. SINGH, *Independent Director* (Upto 12.11.2016)  
Shri PRADEEP K. GOENKA, *Independent Director* (Upto 28.05.2016)

### COMPANY SECRETARY & COMPLIANCE OFFICER

Shri DHRUV BHASIN

### AUDITORS

M/s. SANJAY NANDANI & Co.  
*Chartered Accountants*  
OFF No. 229, 2nd FLOOR,  
63/2, CITY CENTRE,  
THE MALL,  
KANPUR - 208 004

### BANKERS

STATE BANK OF INDIA

### REGISTRAR AND SHARE TRANSFER AGENT

M/s. ALANKIT ASSIGNMENT LIMITED  
ALANKIT HOUSE,  
1E/13, JHANDEWALAN EXTENSION  
NEW DELHI-110 020

### REGISTERED OFFICE

Km 25/4, KALPI ROAD,  
RANIA, KANPUR-DEHAT 209 304

### CORPORATE OFFICE

E-14, PANKI INDUSTRIAL AREA,  
SITE-1, KANPUR-208 022

### PLANTS

- i) KM 25/4, KALPI ROAD, RANIA,  
KANPUR DEHAT - 209 304 (U.P.)  
(SPRINGS & FORGING UNIT)
- ii) RAMPUR GHAT ROAD, VILLAGE KUNJA,  
TEHSIL POANTA SAHIB, DISTT. SRIMOUR  
HIMACHAL PRADESH,  
(SPRINGS & ROOFING UNIT)

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## THIRTY SEVENTH ANNUAL REPORT

### DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the Thirty Seventh Annual Report of the Company along with the Audited Financial Statement for the year ended 31st March 2017. The financial results for the year are shown below :

#### FINANCIAL RESULTS

Particulars	2016-17	2015-16
(Rs. in Lacs)		
Income from Operations/ Turnover	<b>4909.40</b>	4116.22
Profit Before Interest, Depreciation and Tax	<b>540.85</b>	385.67
Interest	<b>142.60</b>	136.71
Depreciation	<b>165.93</b>	148.74
Profit/(Loss) Before Tax	<b>232.32</b>	100.22
Income Tax		
Current year Tax	<b>48.28</b>	20.25
Deferred Tax	<b>(29.53)</b>	29.18
Net Profit	<b>213.57</b>	50.79
Surplus B/F from P.Y.	<b>1,798.49</b>	1,584.91
Transfer to General Reserve	—	—
Balance available for appropriation	<b>1,798.49</b>	1,584.91
Surplus carried to Balance sheet	<b>1,798.49</b>	1,584.91

#### REVIEW OF OPERATIONS

The operation of the company during the financial year under review improved with Turnover of Rs. 4909.40 Lacs as against Rs 4116.22 Lacs in preceding year. The net profit during the year was higher at Rs. 213.57 Lacs as against Rs 50.79 Lacs in the preceding year. The improvement in the turnover and profitability had been mainly on account of improvement in the operational efficiencies and cost cutting measures.

The performance of the company during the current financial year has further improved and barring unforeseen circumstances, your Directors expect your company to turn out even better results during the current year as well.

#### DIVIDEND

To conserve resources for the expansion and to consolidate the financial position of the company, your Directors considered it prudent not to recommend any dividend for the year.

### EXPANSION

#### Forging Division

Your Company has already set up the forging plant at Rania and the management is taking pro-active steps to further expand the forging division by expanding its product base. The company has also installed the Electric induction Furnaces at Rania which in turn helps to reduce burning loss varying between 3 to 5%. Approval of screw coupling, knuckle pins with washer, yoke pin and knuckle thrower have been obtained from Research Design & Standard Organization (R.D.S.O) in addition to Draft gear Forging, Hanger and Hanger Block. The company in the process to install new machineries such as 1200 MT. PRESS, VMC and 6 MT. hammer which would be used to manufacture products of heavy industries.

#### Coil Springs

Your company would be the first one to receive orders for manufacturing of springs for Link-Hofmann Busch(LHB) coaches which were being imported till date. This would lead to Import Substitution and increase in the Gross Domestic Product of our country. Presently LHB Coaches are used in Super Fast trains such as Shatabdi & Rajdhani Express. The execution of such kind of orders would increase the turnover and profits manifold. Your Company has also bought new Load testing Machine from China for Testing of above springs and also setting up a new powder coating plant at Rania.

#### SUBSIDIARY COMPANY / ASSOCIATE / JOINT VENTURE COMPANY

The Company has no Subsidiary, Associate and Joint Venture Companies and as such the requirement of furnishing the information relating to the financial position of Subsidiary, Associate and Joint Venture Companies is not applicable.

#### DIRECTORS:

In accordance with the provisions of the Companies Act, 2013 read with Articles of Association of the Company Shri Kapil Bhatia, Director of the Company retires by rotation at the ensuing Annual General Meeting and is eligible for re-appointment.

Shri Pradeep Kumar Goenka and Shri N.P Singh, Independent Directors of the Company resigned from directorship w.e.f 28.05.2016 and 12.11.2016 respectively. The Board places on record their appreciation of the valuable suggestions and inputs provided by them during their tenure.

#### KEY MANAGERIAL PERSONNEL

As per the provisions of Section 203 of the Companies Act, 2013 the following persons were designated

as Key Managerial Personnel and there had been no change in KMP during the year under review :

S.No	Name	Designation
1)	Kapil Bhatia	Managing Director
2)	Dhruv Bhasin	Company Secretary
3)	Neeraj Bhatia	Chief Financial Officer

#### **DECLARATION OF INDEPENDENT DIRECTORS**

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

#### **MEETINGS OF THE BOARD**

Four meetings of the Board of Directors were held during the year, the details of which are given in the Corporate Governance Report that forms part of this Annual Report. The intervening gap between any two meetings was within the period prescribed by the Companies Act, 2013 and the Listing Agreement.

#### **BOARD EVALUATION**

Pursuant to Section 134(3)(p) and other applicable provisions, if any, of the Act and Regulation 17(10) and other applicable regulations, if any of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015('LODR') , the performance of the Board as a whole and individual directors was evaluated by the Board after seeking relevant inputs from all the directors. The Nomination and Remuneration Committee (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 Chairperson of the Company.

The performance of the Board as whole and of directors individually was found to be satisfactory.

#### **COMPANYS' POLICY ON DIRECTORS' APPOINTMENT AND 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. The Company has duly constituted the Nomination and Remuneration Committee of the Board and the committee interalia periodically evaluates:

1. The need for change in composition and size of the Board;
2. Recommend/review remuneration of the Managing

Director(s) and Whole-time Director(s) based on their performance.

3. Recommend the policy for remuneration of Directors, KMPs & other senior level employees of the Company and review the same in accordance with the performance of the Company and industry trend.

The Remuneration Policy is annexed herewith as 'Annexure F' which forms part of this report.

#### **FAMILIARISATION PROGRAMMES FOR BOARD MEMBERS**

The Board Members are provided with necessary documents / brochures, reports and internal policies to enable them to familiarize with the Company's procedures and practices. Periodic presentations are made at the Board and Board Committee Meetings on business and performance updates of the Company, business strategy and risks involved. Quarterly updates on relevant statutory changes and landmark judicial pronouncements encompassing important laws are regularly circulated to the Directors.

In compliance of the Regulation 25(7) of the Listing Regulations, the Company has adopted the familiarization programme for independent directors with an aim to provide to the independent directors insight in their roles, rights, responsibilities in the company, nature of industry in which the company operates, business model of the company etc.

#### **AUDITORS AND AUDITORS REPORT**

##### **I. STATUTORY AUDITORS**

M/s. Sanjay Nandini & Co., Chartered Accountants, retire at the ensuing Annual General Meeting. Pursuant to Section 139 of the Act read with the Companies (Audit and Auditors) Rules, 2014 and in line with recommendation made by Audit Committee, the Board of Directors, has recommended appointment of M/s Sanjeevani Raizada & Co. as auditors in place of Sanjay Nandini & Co., Chartered Accountant to the members in forthcoming Annual General Meeting. They have furnished their consent and requisite certificate pursuant to the Act confirming of their eligibility for appointment.

The observations made by auditors in their report have been suitably explained in the Notes to Account and therefore do not call for any further clarification or explanation.

##### **II. COST AUDITORS**

As per the Companies (Cost Records and Audit) Rules, 2014, Cost Audit is not applicable to the Company.

### III. SECRETARIAL AUDITORS

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s P. Manghwani & Associates, Practicing Company Secretary as Secretarial Auditor of the Company for the year 2016-17. The Secretarial Audit Report for the year ended 31st March, 2017 is annexed herewith as 'Annexure-D' to this report. The Secretarial Audit Report does not contain any adverse qualification, reservation or remark.

### IV. INTERNAL AUDITORS

The Company has appointed M/s. J Chandra & Associates, Chartered Accountants as the Internal Auditors of the Company for the year 2016-17. The Internal Auditor Report was placed before the Audit Committee of the Company from time to time.

### MANAGEMENT DISCUSSION & ANALYSIS REPORT

Pursuant to Regulation 34(2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations), a Management Discussion & Analysis Report is annexed and forms part of this Annual Report.

### CORPORATE GOVERNANCE

The new Companies Act, 2013 have strengthened the governance regime in the country. Corporate Governance is all about maintaining a valuable relationship and trust with all stakeholders. We consider stakeholders as partners in our success, and we remain committed to maximizing stakeholders' value, be it shareholders, employees, suppliers, customers, investors, communities or policy makers. The business conduct can be ethical only when it rests on the six core values of Customer Value, Ownership Mindset, Respect, Integrity, One Team and Excellence. In line with the requirements of these core values and new law, the Company through its Board and Committees endeavors to strike and deliver the highest governing standards for the benefits of its stakeholders.

Pursuant to Regulation 15(2) of SEBI (Listing Obligations and Disclosure Requirements) Guidelines, 2015 the Company is not required to comply with the conditions of Clause 49 of the Listing Agreement. However, as a good Corporate Governance practice and to maintain continuity in standards of Disclosures Report on Corporate Governance and Management Discussion & Analysis Report is placed as Annexure 'A' which forms part of this Report.

### CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Information as per Section 134(3)(m) of the Companies Act, 2013 read with the Rule 8(3) of the Companies (Accounts) Rules, 2014 relating to conservation of energy, technology absorption and foreign exchange earnings and outgo for the financial year 2016-17 is annexed as Annexure 'B' which forms part of this Report.

### DIRECTORS' RESPONSIBILITY STATEMENT

The Board of Directors acknowledge the responsibility for ensuring compliance with the provisions of Section 134(3)(c) read with Section 134(5) of the Companies Act, 2013 in the preparation of the annual accounts for the year ended on 31st March, 2017 and state that:

- i) in the preparation of the Annual Accounts, the applicable Accounting Standards had been followed along with proper explanation relating to material departures;
- ii) the directors had 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 at the end of the financial year and of the profit of the Company for that period;
- iii) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) the directors had prepared the Annual Accounts of the Company on a going concern basis.
- v) the directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- vi) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### FIXED DEPOSITS

During the year under review, the Company has neither accepted nor renewed any deposits from public in terms of provisions of Section 73 and 76 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules 2014.

In terms of Rule 2(1)(c)(viii) of the Companies (Ac-



ceptance of Deposits) Rules, 2014, the outstanding balance amount of unsecured loan from directors is Rs 1,35,22,000. The Company did not accept unsecured loans from Directors.

#### **LOANS, GUARANTEES AND INVESTMENTS**

The Company has not given any loans, directly or indirectly, to any person or other body corporate or given any guarantee or provided any security in connection with a loan to any other body corporate or person.

#### **ANNUAL RETURN**

The extracts of Annual Return in Form MGT-9 as required under Section 92(3) of the Companies Act, 2013 read with Rule 12(1) of the Companies (Management & Administration) Rules 2014 is included in this report as "Annexure- C" and forms an integral part of this Report.

#### **LISTING**

The Equity Shares of Company continued to be listed at BSE Limited and the Annual Listing has been paid up-to date.

#### **INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY**

The Company has in place internal financial control systems, commensurate with the size and complexity of its operations, to ensure proper recording of financial and monitoring of operational effectiveness and compliance of various regulatory and statutory requirements. The internal auditor monitors and evaluates the efficacy and adequacy of internal control systems in the company. Based on the report of the internal auditor, respective departments undertake corrective actions in their respective areas and thereby strengthen the controls. Significant audit observations, if any and corrective actions thereon are presented to the Audit Committee of the Board.

#### **AUDIT COMMITTEE, VIGIL MECHANISM & RISK MANAGEMENT**

The composition of Audit Committee is in line with the provisions of Section 177 of the Act read with Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Guidelines 2015. The Audit Committee comprises of five members and all members are Independent Directors. The Company Secretary is the Secretary of the Committee. All transactions with related parties are on arms' length basis. During the year, there are no instances where the Board had not accepted the recommendations of the Audit Committee. The Company has in place a vigil mechanism for Directors and Employees, to report genuine concerns about any wrongful conduct with respect to the Company or its business or affairs. This policy covers malpractices, misuse or abuse

of authority, fraud, violation of the Company's policies or rules, manipulations, negligence causing danger to public health and safety and other matters or activity on account of which the interest of the company is affected or likely to be affected and formally reported by whistle blowers. If an investigation leads the Chairman of the Audit Committee shall recommend to the management of the Company to take such disciplinary or corrective action as he may deem fit.

#### **RISK MANAGEMENT**

The Audit Committee has also been delegated the responsibility for monitoring and reviewing risk management, assessment and minimization procedures, developing, implementing and monitoring the risk management plan and identifying, reviewing and mitigating all elements of risks which the Company may be exposed to. The Board also reviews the risk management, assessment and minimization procedures. Further, in accordance with SEBI Regulations, a Risk Management Committee has also been formed which also oversees the risk management of the company.

#### **INSIDER TRADING**

In compliance with the provisions of the SEBI (Prohibition of Insider Trading) Regulations, 2015 and to preserve the confidentiality and prevent misuse of unpublished price sensitive information, the Company has adopted a Code of Conduct to Regulate, Monitor and Report Trading by Insiders ('Insider Trading Code') and a Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information ('Code of Fair Disclosure')

The Insider Trading Code is intended to prevent misuse of unpublished price sensitive information by insiders and connected persons and ensures that the Directors and specified persons of the Company and their dependants shall not derive any benefit or assist others to derive any benefit from access to and possession of price sensitive information about the company which is not in the public domain, that is to say, insider information.

The Code of Fair Disclosure ensures that the affairs of the Company are managed in a fair, transparent and ethical manner keeping in view the needs and interest of all the stakeholders.

#### **MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THESE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT**

No material changes and commitments affecting the

## THIRTY SEVENTH ANNUAL REPORT

financial position of the Company occurred from the end of the Financial year 2016-17 till the date of this Report. Further, there was no change in the nature of business of the Company.

There are no significant material orders passed by the Regulators, Courts or any other authority which would impact the going concern status of the Company and its future operations.

### **PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES**

All contracts / arrangements / transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on arm's length basis.

The details of material contracts / arrangements / transactions at arm's length basis for the year ended

31st March, 2017 is annexed hereto and form part of this Report as 'Annexure E'.

Your Directors draw attention of the Members to Note No. 34 to the Financial Statement which sets out all related party disclosures.

### **ACKNOWLEDGEMENTS**

Your Directors wish to place on record their appreciation for the contribution made by employees at all levels to the continued growth and prosperity of your company. Your Directors also place on record their appreciation for the contribution made by all the Officers, Staff and Workmen. The consistent growth of your Company was made possible by their hard work, cooperation and support. Your Directors also take this opportunity to place on record their gratitude to the Members for their continued support and confidence with the company.

For and on behalf of the Board

Place : Kanpur  
Date : 11th August, 2017

KUNDAN LAL BHATIA  
*Chairman Cum Managing Director*  
DIN No. 00581799

KAPIL BHATIA  
*Managing Director*  
DIN No. 00582337

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### INDUSTRY STRUCTURE & DEVELOPMENTS

The Company is engaged in manufacture of Coil Springs, Leaf Springs, LHB Springs and forging items. During the year under review, the Company has responded to the challenges by enhancing Customer focus and expanded its business by procuring the profitable orders by building the efficient sales and prompt delivery. The Company is optimistic about the long term opportunities while at the same time meeting the short term challenges hence best internal preparedness is being made to aggressively grab the opportunities and to take maximum advantage of such opportunities.

### OPPORTUNITIES & THREATS

During the year under review, the Company has procured some profitable orders from Indian Railways, BHEL, BEML and other heavy industries and is expected to continue with the same. In the emerging competitive scenario, there is a compelling need to improve the global competitiveness of the various businesses to handle the competitive forces and to secure the customer base hence apart from others, Company is emphasizing on stringent quality control measure to accelerate continuous growth in supply orders of the Company's product.

### PRODUCTWISE PERFORMANCE

The Company's position as the market leader is due to its persistent efforts and emphasis in the areas like product quality, introduction of new products through in-house development, competitive pricing and extremely competitive cost structure, continuous product improvement and dynamic approach to situation. In future, Company is firm, with its object of serving the end user of Company's product in an efficient and timely manner.

### RISKS AND CONCERNS

In the coming decade, the main focus would be on enhancing efficiency and productivity, and on innovation driven by changing customer demands. Price sensitivity of the Indian consumer, cost optimization needs of manufacturers and increasing focus on environmental concerns will drive critical changes in market.

Currently, the Company perceives the following main business risks:

- a) Exposed to volatility in raw material prices;
- b) Pressure on selling price due to increase in competition.

Company is trying to work out long term contracts with suppliers with a view to ensure uninterrupted supply of input feed mix. The assets, buildings, plant & machinery and stock of the Company are adequately insured.

### OUTLOOK

In the back of significant market, opportunities described earlier, the outlook for the coming year is extremely promising. Your Directors are of view that if conscious strategy to reduce production cost and development of new products is being followed, coupled with the supportive markets, financial performance of the Company shall stage a turnaround.

### INTERNAL CONTROL SYSTEM AND ADEQUACY

The Company is committed to maintain internal control systems and procedures designed to provide reasonable assurance for orderly and efficient conduct of business and security of its assets. Actual performance is constantly monitored by the management. The Company has a well-defined Organization Structure and authority level. The internal control system is supplemented by an extensive review by the management and documented policies, guidelines and procedures.

### HUMAN RESOURCE

The Company believes that its employees are a vital resource in the current business environment. To ensure that this resource plays important role in the performance of the Company, the Company is pursuing the following:

- It is engaged in providing continuous training and all round exposure to its people.
- It is inviting suggestions from all the employees on regular basis and is also engaged in obtaining feed back in a meaningful way from time to time.
- It is ensuring proper empowerment of employees to foster a sense of ownership among them.

In brief, it is providing an opportunity to all employees to utilize their full potential and grow in the Organization.



**REPORT ON CORPORATE GOVERNANCE****1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:**

Corporate governance guidelines and best practices have evolved over a period of time. We, at Frontier Springs believe that sound corporate governance is critical in enhancing and retaining investor trust. Accordingly, we always seek to ensure that we attain our performance goals with integrity. Our Board exercises its fiduciary responsibilities in the widest sense of the term. We always ensure timely and accurate disclosure of information regarding the financial situation, performance, ownership and governance of the Company. All our steps help in protecting the long-term interests of all our stakeholders.

**2. BOARD OF DIRECTORS:**

As on 31st March, 2017, the Board of Frontier Springs Limited consisted of three Whole Time Directors and five Non-Executive Directors all of whom are Independent Directors and two Woman Directors. The composition of the Board and other relevant details relating to Directors during the Financial Year 2016-17 are as under:

Name of Director(s)	Category	No. of Board Meeting Attended	Whether attended last AGM	No. of other Director-ship	No. of other Committee Chairman-ship	No. of other Committee Member ship
Shri Kundan Lal Bhatia	Promoter-Executive	4	Yes	–	1	–
Shri Kapil Bhatia	Promoter-Executive	4	Yes	–	–	–
Shri Neeraj Bhatia	Promoter-Executive	4	Yes	–	–	–
Smt Mamta Bhatia	Promoter-Executive	4	Yes	–	–	–
Shri Manju Bhatia	Promoter-Executive	4	Yes	–	–	–
Shri R.N Trivedi	Non Executive & Independent	4	Yes	–	–	–
Shri Pradeep Kumar Goenka	Non Executive & Independent	1	N/A	6	3	3
Shri N.P Singh	Non Executive & Independent	1	No	–	–	3
Shri Yashpal	Non Executive & Independent	4	Yes	–	1	3
Dr. R.K Bhatia	Non Executive & Independent	3	No	–	–	3
Shri Sarabjit Singh	Non Executive & Independent	2	N/A	–	–	–
Shri Nimesh Mukerji	Non Executive & Independent	1	N/A	–	–	–

\* Shri P.K Goenka and Shri N.P Singh resigned w.e.f 28.05.2016 and 12.11.2016 respectively. The casual vacancy caused by their resignation was filled in by Shri Sarabjit Singh and Shri Nimesh Mukerji being appointed on the Board w.e.f 12.11.2016 and 09.02.2017 respectively.

**Re-appointments:**

Shri Kapil Bhatia is the Director retiring by rotation at ensuing Annual General Meeting and is eligible for re-appointment.

In view of able leadership and valuable guidance received from him, your Directors recommend his re-appointment.

**Profile of the Directors being re-appointed:**

Shri Kapil Bhatia aged about 52 years graduated from the University of Kanpur, was appointed as Whole Time Director of the Company w.e.f. 22/04/1991. Thereafter he did his Masters of Business Administration from Indian Institute of Productivity & Management, Kanpur. He is a dynamic personality who has really brought about a drastic

change in the overall marketing and financial controls of the company. He has also contributed in improving the marketing strategies. Shri Kapil Bhatia holds 180074 equity shares of the Company.

**Other Companies Directorship: He does not hold directorship in any other company.**

Shri Kundan Lal Bhatia, Shri Kapil Bhatia, Shri Neeraj Bhatia Smt Mamta Bhatia and Smt. Manju Bhatia are relatives. Save and except the above, none of the other Directors relate, in any way, financially or otherwise.

Details of Board Meetings held during the year 2016-17:

**Details of Board Meetings held during the year 2016–17:**

During the year 2016–17, Four Board Meetings were held. The details of meetings are as under:–

S. No.	Date of Board Meeting	No. of Members Present
1.	28th May, 2016	9
2.	13th August, 2016	8
3.	12th November, 2016	9
4.	09th February, 2017	10

The last Annual General Meeting of the Company was held on 30th September, 2016.

**3. AUDIT COMMITTEE:**

The Audit Committee was duly constituted comprising Directors namely Shri P.K Goenka as Chairman and Shri Yashpal, Shri N.P Singh, Shri R.N Trivedi and Shri R.K Bhatia as members. The Committee's constitution and terms of reference are in compliance with provisions of Section 177 the Companies Act, 2013 read with Regulation 18 of SEBI (Listing Obligation and Disclosure Requirements) Guidelines, 2015 as amended from time to time. Four Audit Committee meetings were held during the year 2016-17. The details of the meetings are as under:-

S. No.	Date	No. of members present
1.	28th May, 2016	4
2.	13th August, 2016	3
3.	12th November, 2016	4
4.	09th February, 2017	5

The terms of reference of the Audit Committee include review of Quarterly, Half-Yearly and Annual financial statements before submission to the Board for its approval, to review adequacy of internal control system, to apprise the Board on the impact of accounting policies, accounting standards and legislation, to hold periodical discussions with Statutory and Internal Auditors on the scope and content of the audit and to review the Company's financial and risk management policies. The members of the Committee are well versed in matters relating to finance, accounts, company law, other economic legislation and general management practices.

**4. NOMINATION AND REMUNERATION COMMITTEE:**

The Board has duly constituted the Nomination and Remuneration Committee consisting of five Non-Executive Directors. The constitution of the committee is Shri Yashpal as Chairman, Shri P. K. Goenka, Shri R.N Trivedi, Shri R.K Bhatia and Shri N.P Singh as members.

The Committee's constitution and terms of reference are in compliance with Section 178 of the Companies Act, 2013 and read with Regulation 19 of SEBI (Listing Obligation and Disclosure Requirements) Guidelines, 2015 as amended from time to time.

The Committee, interalia, looks into the matters, in accordance with the remuneration policy of the Company, to identify persons who are qualified to become Directors and who may be appointed in senior management and to recommend to the Board their appointment and/ or removal, to carry out evaluation of every Director's performance, to formulate the criteria for determining qualifications, positive attributes and independence of a Director, and matters relating to the remuneration for the Directors and Key Managerial Personnel.

The Company does not pay any remuneration to its non executive Directors, except sitting fee for attending the