




Frontier Springs Ltd.



**38<sup>th</sup>**  
*Annual Report*  
2017-18

***Delivering excellence***   
*Contributing in the country's growth...*

# FRONTIER SPRINGS LIMITED

## ANNUAL REPORT 2017-2018

### 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*

Shri R.N. TRIVEDI, *Independent Director*

Shri YASHPAL, *Independent Director*

Shri R. K. BHATIA, *Independent Director*

Shri NIMESH MUKERJI, *Independent Director*

### COMPANY SECRETARY & COMPLIANCE OFFICER

Shri DHRUV BHASIN

### AUDITORS

M/s. SANJEEVANI RAIZADA & 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 (U.P.)

### CORPORATE OFFICE

E-14, PANKI INDUSTRIAL AREA,

SITE-1, KANPUR-208 022 (U.P.)

### 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. SIRMOUR  
H. P.  
(SPRINGS & ROOFING UNIT)

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## THIRTY EIGHTH ANNUAL REPORT

### DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the Thirty Eighth Annual Report of the Company along with the Audited Statement of Accounts for the year ended 31st March, 2018. The summarized financial results for the year as compared to the previous year are as under:

#### FINANCIAL RESULTS

(Rs. in Lacs)		
Particulars	2017-18	2016-17
Income from Operations/ Turnover	<b>6003.65</b>	4909.40
Profit Before Interest, Depreciation and Tax	<b>875.49</b>	540.84
Interest	<b>132.26</b>	142.60
Depreciation	<b>193.79</b>	165.92
Profit/(Loss) Before Tax	<b>549.44</b>	232.32
Income Tax		
Current year Tax	<b>114.04</b>	48.28
Deferred Tax	<b>79.08</b>	(29.53)
Net Profit	<b>356.32</b>	213.57
Surplus B/F from P.Y.	<b>1798.49</b>	1584.92
Transfer to General Reserve	<b>0.00</b>	0.00
Balance available for appropriation	<b>2154.80</b>	1798.49
Surplus carried to Balance sheet	<b>2575.08</b>	2218.77

#### REVIEW OF OPERATIONS

Your Company has prepared the financial statements for the year ended March 31, 2018 for the first time in accordance with the Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder. Previous year figures have been re-grouped/re-classified wherever necessary and have been re-stated as per Ind AS.

The operation of the company during the financial year under review improved with turnover of Rs. 6003.65 Lacs as against Rs 4909.40 Lacs in preceding year. The net profit during the year was higher at Rs. 356.32 Lacs as against Rs 213.57 Lacs in the preceding year. The improvement in the turnover and profitability had been mainly on account of growth in demand, 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 com-

pany 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 is continuously expanding its product base. Approval of spindle rod, Anti roll bar, Anti roll bar bracket & Anti roll bar fork have been obtained from Rail Coach Factory; Kapurthala. The company is further expanding Forging unit at Rania and is in process to install new CNC machines which would increase efficiency, quality and help in cost-cutting. Your Company has installed solar plant of 100 KVA promoting measures of Go-Green Initiative and in turn will also save some money for the company.

##### Coil springs

Your company has already received orders for manufacturing of springs for Linke-Hofmann Busch(LHB) coaches which were being imported till date by Indian Railways which is reflective in the turnover and profitability of the company. The orders in the pipeline are high in number; considering that all the springs of the existing coaches have to be replaced with new ones. Further your company has also received orders for Springs of T18 train, the first semi high speed train which would run at a speed of 160 km/hr. The management is optimistic that in the years to come; the company would reach to new heights. Your company has also got orders for supply of loco-springs for heavy haul locomotives WAG-9, WAG-9M, WAP-7 & WAP-5 from CLW, DLW & DMW. The execution of such kind of orders are expected to increase the turnover and profitability manifold.

#### 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

Pursuant to the provisions of Section 152 of the Companies Act, 2013 and the Articles of Association of the Company Mrs. Mamta Bhatia (DIN: 003480368), Director of the Company retires from the Board by rotation, at the ensuing Annual General Meeting of the Company and being eligible she has offered herself for re-appointment.

## 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)	Mr. Kapil Bhatia	Managing Director
2)	Mr. Dhruv Bhasin	Company Secretary
3)	Mr. Neeraj Bhatia	Chief Financial Officer

## DECLARATION FROM INDEPENDENT DIRECTORS

The company had received the declarations u/s 149(7) of the Companies Act, 2013 from all Independent Directors that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16(i)(b) of the Listing Regulations.

## 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 SEBI (Listing Obligations & Disclosure Requirements) 2015.

## BOARD EVALUATION

Pursuant to Section 134(3)(p) and other applicable provisions, if any, of the Companies Act, 2013 and Regulation 17(10) and other applicable regulations, if any of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), 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.

In a separate meeting of Independent Directors held on 14th February, 2018, performance of Non-Independent Directors, the Chairman of the Company and the performance of the Board as a whole was evaluated taking into account the views of Executive and Non-Executive Directors.

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.

## AUDITORS AND AUDITORS REPORT

### I. STATUTORY AUDITORS

M/s. Sanjeevani Raizada & Co., Chartered Accountants, were appointed as Statutory Auditors of the Company at the 37th Annual General Meeting of the Company held on 28.09.2017 who shall hold office till conclusion of the 42nd Annual General Meeting in accordance with the provisions of Companies Act, 2013. However, their appointment was subject to ratification by the members at every Annual General Meeting to be held thereafter during their tenure of office. The Auditors have confirmed their eligibility and qualification under Section 141 of the Companies Act, 2013 and therefore, their ratification for appointment as Statutory Auditors for the year 2018-19 is being sought from the Members of the Company at the ensuing Annual General Meeting.

The Auditor's Report for the financial year 2017-18 does not contain any qualification, reservation or adverse remark.

### 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 Board had appointed M/s P. Manghwani & Associates, Practicing Company Secretary as Secretarial Auditor of the Company for the year 2017-18. The Secretarial Audit Report for the year ended 31st March, 2018 is annexed herewith as Annexure-D to this report.

The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

### IV. INTERNAL AUDITORS

Pursuant to provisions of Section 138 read with Rule

## THIRTY EIGHTH ANNUAL REPORT

13 of Companies (Accounts) Rules 2014, your Company engaged the services of M/s J Chandra & Associates, Chartered Accountants, Kanpur, to conduct the Internal Audit of the functions and activities of the Company for the Financial Year 2017-18. The Internal Audit Report is placed before the Audit Committee of the Company, at regular intervals.

### MANAGEMENT DISCUSSION & ANALYSIS REPORT

Pursuant to Regulation 34(2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (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.

As required under Schedule V to the Listing Regulations, a separate section on Corporate Governance together with certificate from M/s P.Manghwani & Associates, Practicing Company Secretaries, confirming compliance of the conditions of Corporate Governance, forms an integral part of this report.

### STATUTORY INFORMATION

#### PARTICULARS OF EMPLOYEES

None of the employees of the Company was in receipt of remuneration in excess of the limits prescribed under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

#### 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 2017-18 is annexed as Annexure 'B' which forms part of this Report.

### DIRECTORS' RESPONSIBILITY STATEMENT

In terms of Section 134(5) of the Companies Act, 2013 the Board of Directors, to the best of their knowledge and ability in respect of the financial year ended on 31st March, 2018 confirm 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.

However, in terms of Rule 2(1)(c)(viii) of the Companies (Acceptance of Deposits) Rules, 2014, the outstanding amount of unsecured loan from directors was Rs 133.69 lacs which was taken in the preceding years. The Company did not accept any unsecured loans from Directors during the year.

### 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.

### EXTRACT OF ANNUAL RETURN

The extracts of the 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 FINANCIAL CONTROL 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.

#### **COMPLIANCE WITH SECRETARIAL STANDARDS**

During the year under review, the Company has duly complied with the applicable provisions of the Secretarial Standards on Meetings of the Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India.

#### **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) 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**

Risk is an inherent factor in business cycle and cannot be avoided. However, proper planning and checks lead to risk mitigation. 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 financial position of the Company occurred from the end of the financial year 2017-18 till the date of this Report. Further, there was no change in the nature of business of the Company.

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### **SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS**

During the year under review, there were no significant and material orders passed by the Regulators, or Courts or Tribunals 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, 2018 is annexed hereto and form part of this Report as Annexure E.

Your Directors draw attention of the Members to Note No.33 to the Financial Statement which sets out all related party disclosures.

### **ACKNOWLEDGEMENTS**

Your Directors take this opportunity to place on record appreciation for overwhelming co-operation and assistance received from Company's Bankers, Government Authorities and esteemed customers and their continued patronage and support during the year.

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 : 14th August, 2018

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 many 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. Our Corporate Governance practices are driven by timely disclosures; transparent accounting policies and high levels of integrity in decision-making. All our steps helps in protecting the long-term interests of all our stakeholders.

**2. BOARD OF DIRECTORS:****A. Composition and category of Board of Directors ,Attendance at Board Meetings, at last Annual General Meeting and details of Membership of other Boards/Committees:**

As on 31st March, 2018, 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 2017-18 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 Chairmanship	No. of other Committee Membership
Shri Kundan Lal Bhatia (DIN : 00581799)	Promoter-Executive	4	Yes	—	1	—
Shri Kapil Bhatia (DIN : 00582337)	Promoter-Executive	4	Yes	—	—	—
Shri Neeraj Bhatia (DIN : 00582395)	Promoter-Executive	4	Yes	—	—	—
Smt Mamta Bhatia (DIN : 03480368)	Promoter-Executive	4	Yes	—	—	—
Shri Manju Bhatia (DIN : 03480362)	Promoter-Executive	4	Yes	—	—	—
Shri R.N Trivedi (DIN : 03243439)	Non Executive & Independent	4	No	—	—	—
Shri Yashpal (DIN : 00929185)	Non Executive & Independent	4	Yes	—	2	3
Dr. R.K Bhatia (DIN : 00958948)	Non Executive & Independent	2	No	—	—	3
Shri Sarabjit Singh (DIN : 07705856)	Non Executive & Independent	4	Yes	—	1	3
Shri Nimesh Mukerji (DIN : 07705885)	Non Executive & Independent	4	Yes	—	—	3

Mr. K.L Bhatia is paternal uncle of Mr. Kapil Bhatia & Mr. Neeraj Bhatia. Mrs. Mamta Bhatia is wife of Mr. Kapil Bhatia; Mrs. Manju Bhatia is wife of Mr. Neeraj Bhatia.

The number of Directorships, Committee Membership(s)/Chairmanship (s) of all directors is within respective limits prescribed under the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as 'Listing Regulations').

**Re-appointments:**

Mrs. Mamta 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 her, your Directors recommend her re-appointment.

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

Mrs. Mamta Bhatia aged about 52 years graduated from the University of Allahabad, was appointed as Whole Time Director of the Company w.e.f. 14/05/2011. Thereafter; she did her Masters of Business Administration from IGNOU. She has a optimistic vision which has really brought about a marked change in the overall administration and financial controls of the company. She has also contributed in improving the marketing strategies. Mrs. Mamta Bhatia holds 38038 equity shares of the Company.

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

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

**B. Details of Board Meetings held during the year 2017-18:**

During the year 2017-18, Four Board Meetings were held. The details of meeting are as under:-

S. No.	Date of Board Meeting	No. of Members Present
1.	27th May, 2017	9
2.	11th August, 2017	10
3.	13th November, 2017	9
4.	14th February, 2018	10

**Information placed before the Board:**

The Company provides the information as set out in Regulation 17 read with Part A of Schedule II to Listing Regulations to the Board and the Board Committees to the extent it is applicable and relevant.

**C. Terms and conditions of appointment of Independent Directors**

The terms and conditions of appointment of Independent Directors have been mentioned in the appointment letters.

**D. 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.

**E. Separate Meeting of the Independent Directors**

During the year ended 31st March, 2018 one Independent Directors Meeting was held on 14.02.2018. At the meeting, the Independent Directors inter alia :

- 1) Evaluate performance of Non-Independent Directors and the Board as a Whole;
- 2) Evaluate the performance of the Chairman of the Company, taking into account the views of Executive and Non- Executive Directors;
- 3) Evaluation of the quality, content and timeliness of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

Mr. Yashpal, Mr. R.N. Trivedi, Mr. Sarabjit Singh, Mr. Nimesh Mukerji and Dr. R.K. Bhatia were present at the meeting.

**F. Code of Conduct**

In compliance with Regulation 17(5) of the Listing Regulations, the Company's Board has laid down a code