



# INNOVATION AND SUSTAINABILITY



A N N U A L   R E P O R T   2 0 1 5 - 1 6

CHALLENGING THE LIMITS OF INNOVATION

# BH-03



**Thermo & Piezo-electric Material Structure**

Generates electricity & provides extended mobility in case of puncture



**Ultrablack Textured Sidewall & Tread**

Absorbs sunlight & heat when stationary



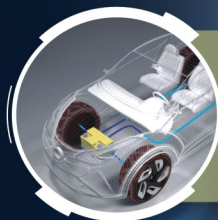
**Structural Cooling System**

Creates temperature difference for thermo-electric energy harvesting



**Friction and deformation generates heat & forces during driving**

Thermo & Piezo-electric structure transforms energy into electricity



**Electricity could supply car hybrid powertrain batteries**

Potentially extends electric car range



GENERATES ELECTRICITY THAT COULD POWER ELECTRIC CARS

**GOODYEAR**

# CONTENTS

<b>Message from the MD</b>	<b>01</b>
<b>Board of Directors</b>	<b>02</b>
<b>Boards'/Directors' Report</b>	<b>04</b>
<b>Report on Corporate Governance</b>	<b>20</b>
<b>Management Discussion &amp; Analysis Report</b>	<b>30</b>
<b>Financial Statements with Auditors' Report</b>	<b>39</b>



# Message from the MD

India continues to represent a large and attractive long-term growth opportunity with strong GDP growth, a growing middle class and young population structure. In 2015, India had one of the fastest GDP growth rates for a large economy.

However, 2015 has been very challenging with the farm sector being impacted for the second year in a row with deficit monsoons and inclement weather playing havoc towards the end of the year in Tamil Nadu. Our Farm business, which forms a significant part of the overall business, was impacted by the strong headwinds in the agrarian sector.

It gives me pleasure to share with you that despite the impact on our top line from these challenges, your company has intensified its efforts in the passenger vehicle market along with multi-pronged action in the Farm and Commercial sectors to deliver a robust bottom line.

2015 has seen significant efforts being made to refresh our passenger vehicle replacement business with the introduction of several new and differentiated products and the strengthening of offerings in the SUV segment. Focus has also been on expanding our distribution footprint and rapid strides were made in expanding the branded store format. Digital continues to be an area of focus for the business with significant efforts in improving consumer experience and engagement. The year 2015 has seen the introduction of a refreshed website with some innovative consumer friendly tools and enablers.

In the farm business for 2015, your Company received awards from top tractor manufacturers such as M&M, TAFE, Escorts Agro Machinery and John Deere. These awards confirm the high trust and confidence our customers have reposed on us. The replacement business continued its focus on expansion and building channel health through a nurturing win-win relationship based approach with trade partners. A dealer relationship management program formed the basis for this approach. Product innovation continued with new introductions planned to capture additional opportunities.

Corporate Social Responsibility has been an area of immense focus in the year gone by. Your company has introduced two new programs as part of its sustainability drive with “Safer Roads, Safer You” and “Healthy India program”. These programs are targeted at improving road safety and augmenting sanitation infrastructure respectively, two areas that are close to the heart of Goodyear.

2016 is likely to post a reversal in the fortunes of your company's farm business with expectations of a normal monsoon. Your company is well placed to capitalise on the opportunities in the rural economy. With the expected improvement in the economy, the Indian passenger tyre industry is expected to likely show a moderate growth in 2016.

In 2016, your company will also continue to focus on building/enhancing value for various stakeholders of Goodyear India. Expanding its distribution footprint, strengthening its presence in the branded retail segment alongwith improving overall brand strength and salience will remain key priorities for the business.

I would like to take this opportunity to thank our valued shareholders for their continued support and trust that they have shown in our company. We will continue to work with our stakeholders – our associates as well as channel partners and suppliers to deliver great products and continue to build value for all whose lives we touch through our day to day operations.

We will also continue to build on the values of innovation and sustainability in the years to come and continue to make a difference.

Yours Sincerely,

**Rajeev Anand**

Vice Chairman & Managing Director  
Goodyear India Limited

# Board of Directors



## **CHRISTOPHER RAYMOND DELANEY (CHRIS DELANEY)** **Chairman**

Chris Delaney joined Goodyear India on January 1, 2016 and The Goodyear Tire & Rubber Company on August 24, 2015 and was named President of the company's Asia Pacific business unit effective January 1, 2016. Mr Delaney joined Goodyear with more than 30 years of global leadership experience in Asia Pacific, North America, Europe and the Middle East.

He began his career at Procter & Gamble Co, where he worked in sales in both North America and Europe before moving to general management, first in the Eastern Europe, then in the Middle East and finally in North America. Mr Delaney then spent seven years at the Campbell Soup Company, first leading international sales before becoming President, Emerging Markets and later President, Asia Pacific. In his last role before joining Goodyear, Mr Delaney was the CEO at Goodman Fielder Ltd at the time the largest public food company in Australia and New Zealand. Mr Delaney led the company until its sale to an Asian consortium in March 2015.

A native of New York, Mr Delaney is a graduate of Trinity College in Hartford, Conn., where he earned his bachelor's degree in history. Mr Delaney has been married to his wife Carmel for 29 years who together have raised their four children in seven countries.



## **RAJEEV ANAND** **Vice Chairman & Managing Director**

Mr Rajeev Anand has been the Vice Chairman & Managing Director of Goodyear India Ltd. since 2009. Prior to his appointment as the whole-time Director on the Board of Goodyear India, he held various leadership positions in Goodyear India and ASEAN countries.



## **R V GUPTA** **Director**

Mr R V Gupta, a 1962 batch IAS officer, has served the Govt. of India at the levels of Special Secretary (Ministry of Finance), Secretary (Ministry of Food) and Addl. Secretary (Ministry of Chemicals & Fertilizers). Mr Gupta has also acted as Principal Secretary to Govt. of MP. Mr Gupta is former Dy. Governor of RBI and was closely involved in the economic reforms process. After retirement, Mr Gupta acted as Chairman of the RBI Committee on Agriculture Credit. Mr Gupta was also associated with Deutsche Bank as Chairman of local advisory board for India and also holds various other Board Level Positions in the industry.



## **Mr C DASGUPTA** **Director**

Mr C Dasgupta served as India's ambassador to China and to the European Union, among other posts, during his career in the Indian Foreign Service. Mr Dasgupta is currently a member of the Prime Minister's Council on Climate Change and a member of the UN Committee on Economic, Social and Cultural Rights. He was awarded the Padma Bhushan by the President of India.



## **SUDHA RAVI**

### **Director**

Ms Sudha Ravi is presently Executive Director, Piramal Fund Management Pvt Ltd. (PFMPL) and Piramal Finance Pvt. Ltd. Since October 2014, Ms Ravi is additionally in-charge of IndiaVenture Advisors P Ltd – a healthcare and life sciences focused private equity fund sponsored by the Piramal Group. Prior to joining Piramal Group in 2011, Ms Ravi was with State Bank of India for over 30 years. Working across varied functional areas at the Bank, including International, Corporate, Retail and Rural banking has given Ms Ravi a wide-ranging perspective on the financial sector and business strategy. Ms Ravi has held key positions as General Manager, Enterprise Risk Management facilitating alignment of risk with strategy at the Bank-wide level; Chief Representative, Washington DC, USA. Ms Ravi has received recognition(s)/plaques presented by the Indian Associations in USA for outstanding contribution in the sphere of banking for the community in DC.

Ms Ravi has keen interest in Special Education with focus on education for autistic children.



## **YASHWANT SINGH YADAV**

### **Director – HR & Corporate Affairs**

Mr Yashwant Singh Yadav, aged 57 years, is a Bachelor in Law and an MBA with specialization in Human Resources. He has more than 37 years of professional and diverse experience in the entire gamut of Human Resources Management with large multi-national and Indian organizations including Ballarpur Industries, Goodyear India, Escorts Ltd. and General Motors India at leadership levels.



## **JAMES CONSTANTINE VENIZELOS**

### **Alternate Director to Mr Chris Delaney**

Mr Venizelos has a Bachelor of Arts degree in Political Science and a Juris Doctor degree. He has over 25 years of experience in advising businesses on legal issues. Formerly, Mr Venizelos was General Counsel & VP of Business Development at Transtar Industries Inc. an Associate with Dinsmore & Shohl and Law Clerk to the Honorable Don J. Young, US District Court. He presently serves as General Counsel, Asia Pacific for The Goodyear Tire & Rubber Company, Akron, Ohio, and is based in Shanghai, China.



## **LEOPOLDO ESTEFANO MAGGIOLO GONZALEZ**

### **Chief Financial Officer (CFO)**

Mr Leopoldo Estefano Maggiolo Gonzalez joined Goodyear India in August 2015 from The Goodyear Chile where he was Finance Director & Controller (Andean Cluster-Peru). Prior to Goodyear Group, Leopoldo was Chief accounting and Management information for Impresora y Commercial Publicguías, Chile, Controller/Finance Manager for Avery Dennison Chile S.A, Financial reporting Mercosur for Avery Dennison Argentina, General Accountant for Avery Dennison Chile S.A, Senior Consultant for Price Waterhouse Chile. Leopoldo holds Master degree in Business from Adolfo Ibanez University.

## **PANKAJ GUPTA**

Head – Legal & Company Secretary, India & Legal Counsel (OE & OTR) Asia Pacific

## **STATUTORY AUDITORS**

M/s Price Waterhouse & Co Bangalore LLP (Firm Registration Number: 007567S/ S-200012)  
Chartered Accountants

## **COST AUDITORS**

M/s Vijender Sharma & Co., Cost Accountants

## **SECRETARIAL AUDITORS**

M/s V. K. Chaudhary & Co; Company Secretaries

# Boards' / Directors' Report

Dear Member,

Your Directors are delighted to present the report on the business and operations of the Company for the Financial Year ended March 31, 2016 (a period of 15 months from January 01, 2015 to March 31, 2016):

## 1. FINANCIAL SUMMARY

A brief summary of the audited financials of the Company for the Financial Year ended March 31, 2016 (15 months) is given below. The Financial Year of the Company has been changed from January-December to April-March in compliance with the provisions of the Companies Act, 2013, which prescribe a uniform Financial Year. Accordingly, the Financial Statements of the current Financial Year are for 15 months i.e. effective from January 01, 2015 to March 31, 2016. Therefore, current Financial Year figures are not comparable with those of the figures of the previous Financial Year ended December 31, 2014.

(Rs. In Lakhs)		
Particulars	15 months ended March 31 2016 <sup>1</sup>	12 months ended December 31, 2014
<b>Total Sales &amp; Other Income</b>	<b>191,510</b>	<b>174,153</b>
Less: Excise Duty	12,898	12,962
<b>Net Sales &amp; Other Income</b>	<b>178,612</b>	<b>161,191</b>
Less: Total Expenditure Excluding Interest & Depreciation	155,302	142,648
<b>Profit Before Interest, Depreciation &amp; Tax</b>	<b>23,310</b>	<b>18,543</b>
Less: i) Finance Cost	324	341
ii) Depreciation	4,053	2,851
<b>Profit Before Tax</b>	<b>18,933</b>	<b>15,351</b>
Less: Provision for Taxation:		
Current Tax	6,826	5,164
Deferred Tax	(203)	63
<b>Profit After Tax</b>	<b>12,310</b>	<b>10,124</b>

Except, as disclosed elsewhere in the Report, there have been no material changes and commitments, which can affect the financial position of the Company between the end of the Financial Year and the date of this Report.

## 2. DIVIDEND

Your Board recommends a dividend @ Rs 12/- per equity share for the Financial Year 2015-16 (15 months). The recommended dividend will absorb a sum of Rs. 2,768 lakhs and tax on dividend will be Rs. 579 lakhs.

## 3. OPERATIONS

The Company manufactures automotive bias tyres viz. farm tyres and commercial truck tyres at its Ballabgarh plant and also trades in "Goodyear" branded tyres [including radial passenger tyres (consumer) and Off The Road (OTR) bias tyres] manufactured by Goodyear South Asia Tyres Private Limited ('GSATPL'), Aurangabad. The other products which the Company markets and sells include tubes, flaps and Radial OTR imported tyres.

The sales performance during the Financial Year 2015-16 (15 months) is as follows:

(Rs. in Lakhs)	
Tyres	178,223
Flaps	314
Tubes	9,074

Your Company had put considerable efforts to refresh product portfolio by the consumer tyre business with the introduction of new product patterns, gradual phase out of outdated patterns and strengthened offerings in the Sports Utility Vehicle (SUV) segment. The business has been focused on working towards expanding distribution footprint & continues to invest in expanding its branded store format. Digital continues to be an area of focus for the business with significant efforts in improving consumer experience and engagement.

Further, Corporate Social Responsibility ("CSR") has been an area of immense focus in the year gone by. Your Company has introduced two new programs as part of its CSR obligation with Safer Roads, Safer You and Healthy India program. These programs have focus towards improving road safety & augmenting sanitation infrastructure respectively.

Your Company feels proud to have received awards from Top Tractor Manufacturers in 2015 such as M&M, TAFE, Escorts Agro Machinery & John Deere. These awards confirm the high trust & confidence our Key Customers have reposed in our product, processes & people.

## 4. FINANCE AND ACCOUNTS

During the Financial Year 2015-16 (15 months), additions to fixed assets amounted to Rs. 2,958/- lakhs. The capital expenditure incurred amounted to Rs. 3,984/- lakhs. The interest and other finance cost during the Financial Year 2015-16 (15 months) was Rs. 324/- lakhs.

As of the end of March 31, 2016, an amount of NIL matured deposits remained unclaimed.

The Company has not accepted any public deposits and as such, no amount on account of principal or interest on public deposits was outstanding as on the date of the Balance Sheet.

<sup>1</sup> The present Financial Year of the Company is of 15 months commenced from January 01, 2015 to March 31, 2016 and thus the financial statements have been prepared for a period of 15 months.

## 5. FINANCIAL STATEMENTS (Full & Abridged)

In compliance of Regulation 36 of the Securities and Exchange Board of India (Listing and Disclosure Obligations) Regulations 2015 ('LODR Regulations 2015'), your Company shall supply:

- (i) Soft copies of full Annual Reports containing its Balance Sheet, Statement of Profit & Loss and Directors' Report to all those shareholder(s) who have registered their email address(es) for the purpose.
- (ii) Hard copy of Abridged Annual Report containing the salient features of all the documents, as prescribed in Section 136 of the Companies Act, 2013 to those shareholder(s) who have not registered their email address(es); and
- (iii) Hard copies of full Annual Reports to those shareholder(s), who request the same.

The Board of Directors has decided to circulate the abridged Annual Report containing salient features of the Balance Sheet and Statement of Profit and Loss to the shareholders for the Financial Year 2015-16 (15 months). A Full version of the Annual Report including complete Balance sheet, Statement of Profit & Loss, other statements and notes thereto prepared as per the requirements of Schedule III to the Act will be available at the Company's website [www.goodyear.co.in](http://www.goodyear.co.in) (investor relations section) and will also be made available to the shareholder(s) upon request.

## 6. DIRECTORS' RESPONSIBILITY STATEMENT UNDER SECTION 134(3)(c) OF THE COMPANIES ACT, 2013

Your Directors state that the annual accounts of the Company have been prepared in conformity, in all material respects, with the generally accepted accounting standards in India and supported by reasonable and prudent judgments and statements so as to give a true and fair view of the state of affairs of the Company and of the results of the operations of the Company. Significant accounting policies followed are appearing in Note 2 to the Notes of the financial statements.

The financial statements of the Company have been audited by Price Waterhouse & Co Bangalore LLP (FRN: 007567S/S-200012). A reference may be made to their report dated May 30, 2016 to the members together with Annexure(s) thereto containing information as per requirement under the Companies (Auditor's Report) Order, 2015 that is attached with these financial statements.

Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the applicable laws for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

The internal control system including internal financial controls of the Company is monitored by an independent Internal Audit Team, which encompasses examination/periodic reviews to ascertain adequacy of internal controls and compliance to Company's policies. Weaknesses noted along with agreed upon action plans are shared with Audit Committee, which ensures orderly and efficient conduct of the business and effectiveness of the system of internal control.

Internal Auditors, Audit Committee members and Statutory Auditors have full and free access to all the information and records considered necessary to carry out the assigned responsibilities. The issues raised from time to time are suitably acted upon and followed up at different levels of management.

The annual accounts have been prepared on a going concern basis.

Directors have laid down internal financial controls to be followed by the Company; through periodic checks and testing procedures, they monitor compliance to the internal financial controls to ascertain that they are adequate and operating effectively. The Directors have devised appropriate systems to ensure compliance with the provisions of all applicable laws and they monitor adequacy and operating effectiveness of the same periodically.

## 7. FUTURE OUTLOOK

There is an increasing trend towards mechanization, which will boost the tractor demand in the future (Source: Crisil & ICRA). In addition, Indian tractor penetration still lags behind the global average (19 Vs 21 per 1000 hectares). These trends are supported with a high focus of the Government on agriculture as reflected in the current budget. Hence, while in the short term, the industry is facing strong headwinds due to failure of monsoon for two consecutive years, the long term outlook remains robust based on industry and macro trends.

The Financial Year 2016-17 outlook seems positive with above normal predictions of the monsoons by Indian Metrology Department ("IMD") leading to overall expected growth of 6% from the Farm Sector (Source: Niti Aayog projections & IMD predictions)

The passenger tyre industry is likely to register a modest growth in the year 2016. Driving distribution expansion, increasing the reach of branded retail and building brand salience through investments in the digital space will form the cornerstones for 2016.

## 8. DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP)

During the Financial Year 2015-16 (15 months), Ms Sudha Ravi [DIN: 06764496] was appointed as an Additional Director in the Board Meeting held on June 06, 2014 and appointed as an Independent Director for a period of 5 (five) years effective June 7, 2014 by the members of the Company through postal ballot (notice dated January 16, 2015) the results which were declared on March 12, 2015 ("Postal Ballot").

Also, effective March 12, 2015, Mr Ravi Vira Gupta [DIN: 00017410] and Mr C Dasgupta [DIN: 00381799], the existing Independent Directors have also been reappointed as Independent Directors in terms of the provisions of the Companies Act, 2013 through the Postal Ballot as mentioned above for a period of 3 (three) years and 5 (five) years respectively.

The Company received declarations from all the Independent Directors of the Company confirming that they met with the criteria of independence as prescribed under applicable laws.



Further, in terms of Section 203 of the Companies Act, 2013, Mr Leopoldo Estefano Maggiolo Gonzalez was appointed as Chief Financial Officer (KMP) of the Company effective August 13, 2015 and Mr Mark Chandran Ravunni resigned as Chief Financial Officer (KMP) of the Company effective close of business hours on August 12, 2015.

Mr Yashwant Singh Yadav [DIN: 03288600], Director of the Company is retiring by rotation at the forthcoming Annual General Meeting of the Company and being eligible, offers himself for reappointment.

Further, the term of Mr Yashwant Singh Yadav as a Wholetime Director expired on October 31, 2015. The Board has reappointed Mr Yadav, for an additional tenure of 2 years and 10 months (effective November 1, 2015 to August 31, 2018), as a Wholetime Director (liable to retire by rotation) in the Nomination and Remuneration Committee (NRC) and Board Meeting held on August 12, 2015, subject to the approval of shareholders. The reappointment of Mr Yadav is being proposed for approval by the Members of the Company at the forthcoming Annual General Meeting.

During the Financial Year 2015-16 (15 months), Mr Daniel Lawrence Smytka [DIN: 05139358], had resigned effective close of business hours on December 31, 2015.

The Board of Directors in its meeting held on August 12, 2015 appointed Mr James Constantine Venizelos [DIN:07184802] as an Alternate Director to Mr Daniel Lawrence Smytka effective August 13, 2015. Mr Venizelos ceased to be Director effective the close of business hours on December 31, 2015 due to resignation of Mr Daniel Lawrence Smytka.

The Board of Directors appointed Mr Christopher Raymond Delaney [DIN: 07348894] as an Additional Director effective January 1, 2016 via Circular Resolution No. Board 01/2015-16 dated December 14, 2015 who holds office up to the date of forthcoming Annual General Meeting. Mr Delaney, was also appointed as the Chairman of the Board. A notice under Section 160 had been received for his appointment at the forthcoming Annual General Meeting as a director of the Company liable to retire by rotation.

The Board of Directors in its meeting held on February 5, 2016 appointed Mr James Constantine Venizelos [DIN:07184802] as an Alternate Director to Mr Christopher Raymond Delaney effective February 5, 2016.

The information relating to Mr Yadav's reappointment and Mr Delaney's appointment is also appearing under the head 'other informations', in the Corporate Governance Report.

During the Financial Year 2015-16 (15 months) 8 (eight) Board Meetings were held on January 16, 2015, February 23, 2015, February 27, 2015, May 07, 2015, June 26, 2015, August 12, 2015, November 5, 2015 and February 05, 2016. Details regarding attendance of Board Meeting by each of the Directors is given in the Corporate Governance Report.

The details regarding Company's remuneration policy, evaluation of Board, its Committees and the Directors is mentioned in the Corporate Governance Report forming part of this Director's Report.

## 9. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013

NIL

## 10. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

The particulars of contracts or arrangements with related parties referred to in Section 188(1) of the Companies Act 2013 read with rule 8(2) of the Companies (Accounts) Rules, 2014 in the prescribed Form AOC - 2 is annexed as 'Annexure A' to this Report.

## 11. ANNUAL RETURN

Pursuant to Section 92(3) of Companies Act, 2013 read with rules made thereunder, extract of Annual Return of the Company in the prescribed form MGT 9 is annexed as 'Annexure B' to this Report.

## 12. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

The Company does not have any Subsidiary, Joint venture or Associate Company.

## 13. INTERNAL FINANCIAL CONTROLS

The Integrated Framework adopted by the Company, which is based on the applicable available guidance on Internal Financial Control, is adequate and effective.

## 14. RISK MANAGEMENT POLICY

The Board of Directors periodically reviews the risks faced by the Company and the practices/processes followed to manage them including the risk reporting structure along with the responsibilities, mitigation control and key risk. In the opinion of the Board there is no identified risk, which may threaten the existence of the Company.

## 15. FINANCIAL YEAR

The present Financial Year of the Company is of 15 months commencing from January 1, 2015 to March 31, 2016 and thus the financial statements have been prepared for a period of 15 months. The Board of Directors of your Company have in their meeting held on February 27, 2015 approved the change of the Financial Year from (January 1 to December 31) to (April 1 to March 31) in compliance of applicable provisions of the Companies Act 2013, read with rules made thereunder, as amended. In view of the above, for the first year of implementation, the Financial Year has started from January 1, 2015 to March 31, 2016 (i.e. 15 months). The next Financial Year will be from April 1, 2016 to March 31, 2017.

## 16. STATUTORY AUDITORS' AND AUDITORS' REPORT

M/s Price Waterhouse & Co Bangalore LLP (FRN: 007567S/S-200012), the Statutory Auditors of the Company will retire at the conclusion of the forthcoming Annual General Meeting and being eligible, consented and offered themselves for reappointment as Statutory Auditors for Financial Year 2016-17 and to hold office till the conclusion of next Annual

General Meeting to be held in the year 2017. In view of the above, a "Certificate" to act as an auditor of the Company has been received from M/s Price Waterhouse & Co Bangalore LLP (FRN: 007567S/ S- 200012) to the effect, inter-alia, that their re-appointment, if made, would be within the limits laid down by the Act, shall be as per the term provided under the Act, that they are not disqualified for such re-appointment under the provisions of applicable laws.

There are no qualifications, reservations or adverse remarks or disclaimers made by M/s Price Waterhouse & Co Bangalore LLP (FRN 007567S/ S-200012), the Statutory Auditors, in their report for the Financial Year 2015-16 (15 months) under review.

The backup of the books of accounts and other papers maintained in electronic mode has been maintained by the company on server located outside India and basis the implementation difficulties of the Rule 3 of Companies (Accounts) Rules, 2014, the Company had submitted the detailed representations with the appropriate authorities and subsequently on the recommendations of Company Law Committee constituted by the Ministry of Corporate Affairs, necessary amendment in the said Rule is proposed.

#### 17. COST AUDITOR

M/s Vijender Sharma & Co., Cost Accountant, Cost Accountants, 11, 3rd Floor, Hargovind Enclave, Vikas Marg, New Delhi-110 092 was appointed as cost auditor for conducting the cost audit for the Financial Year 2015-16 (15 months). The Cost Audit Report for the Financial Year 2014 was filed on June 26, 2015 within due date.

Based on the recommendation of Audit Committee, M/s Vijender Sharma & Co., Cost Accountants, being eligible, have also been appointed by the Board as the Cost Auditors of the Company for the Financial Year 2016-17 subject to ratification of remuneration by the Members. The Company has received a letter from them to the effect that their re-appointment would be within the limits prescribed under section 141(3)(g) of the Companies Act, 2013 and that they are not disqualified for such re-appointment within the meaning of section 141 of the Companies Act, 2013.

#### 18. SECRETARIAL AUDITOR

Pursuant to the provisions of Section 204 of the Companies Act, 2013, the Board of Directors in its meeting held on May 7, 2015 appointed M/s V. K. Chaudhary & Co, Company Secretaries, a Company Secretary firm, having its office at C-140, Sector 51, Noida, U.P, as Secretarial Auditor to carry out the Secretarial Audit of the Company for the Financial Year 2015-16 (15 months). The Secretarial Audit Report is annexed as 'Annexure C' to this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

#### 19. CORPORATE GOVERNANCE REPORT INCLUDING MANAGEMENT AND DISCUSSION ANALYSIS REPORT

As per the applicable provisions of the LODR Regulations 2015, a detailed Corporate Governance Report together with

the auditors' certificate on the compliance of conditions of Corporate Governance and a Management Discussion & Analysis Report forms part of the Annual Report and annexed as 'Annexure D' to this Report.

The Corporate Governance Report forming part of this Report also covers the following:

- Particulars of the Board Meetings held during the Financial Year 2015-16 (15 months).
- Policy on Nomination and Remuneration of Directors, Key Managerial Personnel and Senior Management including, inter alia, the criteria for the performance evaluation of Directors.
- The manner in which formal annual evaluation has been made by the Board of its own performance and that of its Committees and individual Directors.
- The details with respect to composition of Committees and establishment of Vigil Mechanism (including Whistle Blower Mechanism/Policy)

#### 20. HUMAN RESOURCES

Industrial harmony was maintained during the Financial Year through cordial and productive employee relations. A formal tripartite settlement was signed before the Deputy Labour Commissioner, Faridabad, Haryana on Feb 05, 2015. The Collective Bargaining Agreement ("CBA") is effective May 1, 2014 and valid till April 30, 2017. This new settlement will help the Ballabgarh factory to improve productivity and operational efficiencies, which will offset the cost of the CBA. High priority was given by the management to training and development related to ethics and compliance, discipline, safety of the employees and environmental awareness. The total number of salaried and hourly paid associates, as of March 31, 2016 stood at 880.

Information in accordance with the provisions of Section 197 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 regarding remuneration and other details is annexed as 'Annexure E' to this Report.

#### 21. CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Corporate Social Responsibility ("CSR") Committee of the Company is duly constituted in accordance with the requirements of Section 135 of the Companies Act, 2013 read with rules made thereunder, as amended to formulate and monitor the CSR policy of the Company.

During the Financial Year 2015-16 (15 months), 1 (one) CSR Committee Meeting was held on November 5, 2015. Details regarding attendance of CSR Committee meeting by each of the Directors is given in the Corporate Governance Report.

The Annual Report on CSR activities for the Financial Year 2015-16 (15 months) is annexed as 'Annexure F' to this Report pursuant to Rule 8 of The Companies (Corporate Social Responsibility) Rules, 2014.