



# KINETIC ENGINEERING LIMITED

## Annual Report 2015-16

*KINETIC*



**in Every automobile**



## KINETIC ENGINEERING LIMITED

CIN: L35912MH1970PLC014819

Registered Office: D1 Block, Plot No. 18/2, MIDC, Chinchwad, Pune – 411 019, India,  
Tel.: +91-20-66142049 Fax: +91-20-66142088/89 kelinvestors@kineticindia.com \ www.kineticindia.com

### BOARD OF DIRECTORS

MR. ARUN H. FIRODIA	.... CHAIRMAN
MRS. SULAJJA FIRODIA MOTWANI	.... VICE-CHAIRPERSON
MR. AJINKYA A. FIRODIA	.... MANAGING DIRECTOR & CFO
MR. JINENDRA H. MUNOT	
DR. K. H. SANCHETI	
MR. S. R. SANGHI	
MR. S. R. KOTTECHA	
MR. R. J. KABRA	

#### COMPANY SECRETARY

MR. ROHIT PURANDARE

#### AUDITORS

M/S. P. G. BHAGWAT  
CHARTERED ACCOUNTANTS, PUNE

### REGISTERED OFFICE

D-1 BLOCK, PLOT NO. 18/2, MIDC, CHINCHWAD, PUNE - 411019.

### REGISTRAR & TRANSFER AGENT

LINK INTIME INDIA PRIVATE LIMITED  
BLOCK NO. 202, AKSHAY COMPLEX, NEAR GANESH TEMPLE,  
OFF DHOLE PATIL ROAD, PUNE – 411001,  
PHONE NO. : 020 – 26160084, 26161629, TELE FAX NO. : 020 – 26163503  
E-MAIL ID : pune@linkintime.co.in

### WORKS

NAGAR-DAUND ROAD, AHMEDNAGAR, PIN - 414001.

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## NOTICE

NOTICE is hereby given that the 45th Annual General Meeting of the shareholders of KINETIC ENGINEERING LIMITED will be held on Friday, 30th day of September, 2016 at 11: 00 a.m., at the Registered Office of the Company at D-1 Block, Plot No. 18/2, MIDC, Chinchwad, Pune – 411 019, to transact the following business :

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2016 and the Profit and Loss Account for the financial year ended on that date, together with the Reports of Auditors and Directors thereon.
2. To appoint a director in place of Ms. Sulajja Firodia Motwani (DIN: 00052851), who retires by rotation and is eligible for re-appointment.
3. To appoint auditors and fix their remuneration.

By Order of the Board of Directors  
**For KINETIC ENGINEERING LIMITED**

**Rohit Purandare**  
Company Secretary

**Date:** 09.08.2016

**Place:** Pune

### NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL, INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER. A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS UPTO AND NOT EXCEEDING FIFTY (50) AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT (10%) OF THE TOTAL SHARE CAPITAL OF THE COMPANY. FURTHER, A MEMBER HOLDING MORE THAN TEN PERCENT (10%) OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS PROXY FOR ANY OTHER PERSON OR MEMBER. THE INSTRUMENT APPOINTING PROXY MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY

NOT LESS THAN 48 HOURS BEFORE THE TIME OF HOLDING THE MEETING.

2. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, members would be entitled to inspect the proxies lodged, at any time during the business hours of the Company, provided not less than three (3) days written notice is given to the Company.
3. An Explanatory Statement pursuant to section 102 of the Companies Act, 2013 forms part of this Notice.
4. Brief details of the directors, who are seeking re-appointment, are annexed hereto as per requirements of clause 49 of the listing agreement.
5. Pursuant to the provisions of section 91 of the Companies Act, 2013, the register of members and share transfer books of the Company will remain closed from 28/09/2016 to 30/09/2016 both days inclusive.
6. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their depository participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company or Link Intime.
7. In terms of section 101 and 136 of the Companies Act, 2013 read together with the Rules made thereunder, the listed companies may send the notice of annual general meeting and the annual report, including Financial statements, Board Report, etc. by electronic mode. The Company is accordingly forwarding soft copies of the above referred documents to all those members who have registered their email ids with their respective depository participants or with the share transfer agent of the Company.
8. To receive shareholders' communications through electronic means, including annual reports and notices, members are requested to kindly register/update their email address with their respective depository participant, where shares are held in electronic form. If, however, shares are held in



physical form, members are advised to register their e-mail address with Link In time India Pvt. Ltd. on [pune@linkintime.co.in](mailto:pune@linkintime.co.in).

- 9 Documents referred to in the Notice and the explanatory statement shall be open for inspection by the members at the registered office of the Company on all working days (Monday to Friday) from 10.00 a.m. to 1.00 p.m. except holidays, upto the date of the meeting.
- 10 Pursuant to section 72 of the Companies Act, 2013, members holding shares in physical form are advised to file nomination in the prescribed Form SH-13 (a copy of which is available on the website of the Company) with the Company's share transfer agent. In respect of shares held in electronic/demat form, the members may please contact their respective depository participant.
- 11 Corporate members are requested to send in advance, duly certified copy of the Board Resolution/Power of Attorney authorising their representative to attend the annual general meeting.
- 12 Members/Proxies are requested to bring the copies of annual reports to the meeting.
- 13 Please note that for security reasons, no article/baggage will be allowed at the venue of the meeting.
- 14 Voting through electronic means  
In terms of the provisions of section 108 of the Companies Act, 2013 (the Act) read with rule 20 of the Companies (Management and Administration) Rules, 2014 (hereinafter called "the Rules" for the purpose of this section of the Notice) and clause 35B of the listing agreement, the Company is providing facility to exercise votes on the items of

business given in the Notice through electronic voting system, to members holding shares as on 23rd September, 2016 (End of Day) being the Cut-off date (Record date for the purpose of Rule 20 (3) (vii) of the Rules) fixed for determining voting rights of members, entitled to participate in the e-voting process, through the e-voting platform provided by Central Depository Services (India) Limited (CDSL).

**The instructions for shareholders voting electronically are as under:**

- A. In case of Members receiving Notices of Annual General Meeting (AGM) through E-mail:
  - (i) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com) during the voting period
  - (ii) Click on "Shareholders" tab.
  - (iii) Now, select the "KINETIC ENGINEERING LIMITED" from the drop down menu and click on "SUBMIT"
  - (iv) Now Enter your User ID
    - a. For CDSL: 16 digits beneficiary ID;
    - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID;
    - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
  - (v) Next enter the Image Verification as displayed and Click on "Login".
  - (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
  - (vii) If you are a first time user follow the steps given below:

**For Members (Shareholders) holding shares in Demat Form and Physical Form**

Permanent Account Number (PAN)	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li> <li>In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. e.g. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>
Date of Birth (DOB) #	Enter the Date of Birth as recorded in your demat account or in the Company records for the said demat account or folio in dd/mm/yyyy format.

*# Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the Company / Depository Participant please enter the Client id / folio number in the Dividend Bank details field.*

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
  - (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, Members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
  - (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
  - (xi) Click on the Electronic Voting Sequence Number (EVSN) of "KINETIC ENGINEERING LIMITED"
  - (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
  - (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
  - (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
  - (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
  - (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
  - (xvii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
  - (xviii)(a) Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.
    - (b) Institutional shareholders should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - (c) After receiving the login details Institutional shareholders have to create a user who would be able to link the account(s) which institutional shareholders wish to vote on.
  - (d) The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - (e) Institutional shareholders should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- B. In case of Members receiving physical copy of Notice of AGM:
- (i) Please follow all steps from Sr. No. (i) to Sr. No. (xviii) above, to cast vote.
  - (ii) The voting period begins on Tuesday, 27th September, 2016 at 9.00 a.m. IST and ends on Thursday, 29th September, 2016 at 5.00 p.m. IST. During this period Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 23rd September, 2016, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- C. In case you have any queries or issues regarding E-voting, you may refer the Frequently Asked Questions ("FAQs") and E-voting manual available at [www.evotingindia.co.in](http://www.evotingindia.co.in) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- D. General Instruction:
- (i) You are advised to cast your vote only through one mode (E-voting or through Poll at the AGM). In case you cast your votes through both the modes, votes cast through E-voting shall only be considered and votes cast at meeting through Poll would be rejected.
  - (ii) The Company has appointed Mr. Devendra V. Deshpande, Practicing Company Secretary, as the Scrutinizer for conducting the e-voting process in fair and transparent manner.



<b>"Details of Directors seeking appointment / re-appointment at the Annual General Meeting (In pursuance of Clause 49 of the Listing Agreement with Stock Exchanges)"</b>	
Name of Director	Mrs. Sulajja Firodia Motwani
Age	43
DIN	00052851
Date of Appointment	04th May, 1996
Qualification	Master of Business Administration (MBA)
Expertise	Vast experience in the area of Marketing, Finance, Strategic planning and corporate restructuring.
Directorships as on 31st March, 2016	Kinetic Marketing and Services Limited, Kinetic Auto Ltd.
Chairmanship / Membership of Committees of other Public Companies as on 31st March, 2016	Nil
Shareholding in the Company	616



## DIRECTOR'S REPORT 2015-16 (Including Management Discussion & Analysis)

Dear Members,

Your Directors present the 45th Annual Report on the business and operations of **Kinetic Engineering Limited** and the Audited Financial Accounts for the financial year ended 31st March, 2016.

### Business Overview

I believe that the year 2015 – 2016 is a historic year for your Company. During this year, your Company, which forayed into auto components a few years ago, has implemented major strategic initiatives to ensure a healthy and bright future in the chosen field. Due to these initiatives, which are explained below, your Company now lies at the path of growth, and profitability in the coming future. These initiatives include:

### Initiatives taken towards business growth

In the year 2015 – 2016, your Company has obtained and developed major business from international customers. It has utilized its available technical expertise to ensure a successful implementation of these high volume prestigious programmes. The following is the status:

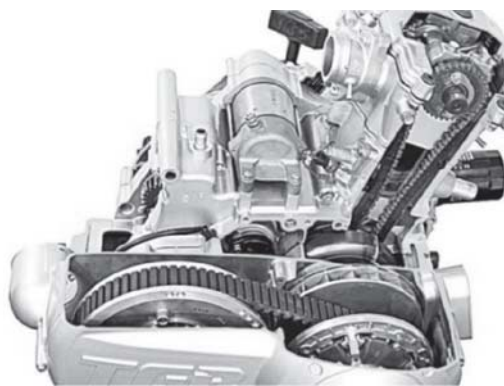
- 1) Development of components for Renault – Nissan: Your company has successfully developed sleeves and dog teeth components for global major Renault Nissan. These components are supplied to the new platform of gearboxes developed by RNTBC and is used in the widely successful Renault Kwid and the Nissan Redi-Go. Our customer has seen a major success in both these models, due to its features, styling and value proposition, and Your Company is proud to be a part of a high growing programme. Currently the production for this continues to grow at 20% month on month; and is expected to further double by the end of the year 2016 – 2017 as per the volume projections given to us. Furthermore, Your company shall export the same components for RNTBC's worldwide usage of the gearbox which is also expected to comment shortly. Overall hence, this business shall become a major part of the Company's growth in the coming years
- 2) Development of High Value Component for



**American Axle:** Your company has successfully completed the development and validation requirement of a single component that shall be exported (deemed) to the American Major, American Axle. The production and supply of this component has begun and is in high ramp up stage.

The Above 2 business alone are expected to ramp up to an annual revenue of 55 – 60 crores, which is equal to your company's current revenues!

In addition to the above, your company has also commenced mass production to Magna Powertrain in Muncie, USA. Your Company has also received the order for the development and production for a 380 NM gearbox to be supplied to Ashok Leyland for one of their important vehicles. This gearbox has been designed under Your Company's technical agreement with Magna Styer India and shall be supplied as a fully assembled gearbox, strengthening your Company's image as the country's fastest growing commercial vehicle gearbox manufacturer. Your Company also believes that successful implementation of the above initiatives shall result in larger business opportunities from these very premium customers.



**The  
Leyland**

**shok**

Your Company continues to make products for Indian



OEMs including TATA, Mahindra, Carraro India and exporting to BRP (USA), Tomos (Slovenia) which have been the customers who have supported Your Company since the beginning of its foray into auto components.

#### **Initiatives taken towards reduction of costs:**

##### **Debt and interest burden reduction**

Your Company has settled and paid the entire FCCB due as well as the loan from Reliance Capital Ltd, amounting to a debt reduction of Rs. 77.50 crores. Currently hence the liabilities of the company have come substantially down and your company is now left with working capital limits and ICDs from promoters, freeing itself from external long term debt. This way, the company can now focus on implementing a robust business model on the strength of its infrastructure and technical knowledge. This has also reduced the interest burden for the company by Rs. 1.49 Crores, enabling it to use its cash flow usage towards business and required capex.

##### **Material Cost reduction**

Your Company has successfully completed its entire backward integration into forgings. An initiative started 2 years ago, today your Company makes more than 95% of its requirement of forgings in house, compared to previous years where this was a bought out commodity. The Company now runs 2 hammer forgings and 1 x 1300 ton press forgings which it purchased during this year. Currently the company has reached a forging production of about 300 tons per month and plans to increase the same along with the business growth. Due to this major initiative, Your company continues to reduce its material cost which has now come down to 51%.

The Company has also benefitted from the reducing fuel prices as the above forgings and heat treatment shops run primarily on crude oil products.

The Company continues to explore avenues of further reduction of costs by exploring options to reduce the fixed overheads including electricity, manpower, fuels, packaging and freight.

**KEL has commenced mass production for Renault's highly successful model KWID and Nissan Redi –**



#### **GO. KEL is further developing components for the AMT & 100 NM versions along with commencing its exports.**

With a quality system set up in tune with the requirements of ISO 9001, and with ISO/TS 16949:2002 certification, the Company plans to leverage its skills in domestic as well as international market, by further striving for total customer satisfaction through relationship building and providing superior products and technological solutions to its customers. The Company has further strengthened its quality systems by an internal quality assessment system called as "KQAA" (Kinetic Quality Assessment and Awards) which reviews and rewards exceptional practices in Quality at each cell. Various efforts and initiatives have been taken to have a larger focus on Kaizens, Pokayoke, Quality Analysis methodology, APQP documentation and other systems that will ensure a sustainable effort for the business.

The company has launched "KEDS"; a training center called as "Knowledge Enhancement & Development of Skills Center" for its employees in its Ahmednagar facility which focuses on motivational and training of its staff and workers at regular intervals.

#### **Overview of Settlement with FCCB holders and Reliance:**

Company had a FCCB Liability of about Rs. 142 Crores. Company had settled the same and was awaiting the approval of RBI.

During the year Company received approval of RBI for the settlement reached with FCCB holders and settlement of the liability was completed as under:

1. Rs. 70 Crores Cash Payment; and
2. By way of issuing 23,40,499 shares of the Company at a price of Rs. 156 per share.

During the year Company also completed the settlement of dues of Rs. 7.25 Crores with M/s. Micro Age Instruments Private Limited, a promoter group Company at Rs. 3.50 Crores by issuing 2,24,359 shares of the Company at a price of Rs. 156 per share.

Similarly, during the year Company also settled the liability of Reliance Capital Limited and Payone Enterprises Pvt. Ltd. of Rs. 33.10 Crores.

Accordingly, the Loan and Preference Shares liability will be settled as under:

1. Rs. 14.15 Crores Cash Payment; and
2. By way of issuing 6,00,000 shares of the Company at a price of Rs. 156 per share.

The said issue of 6,00,000 shares was pending shareholders approval as on 31.03.2016.



The above referred negotiations and settlements helped the Company to further improve its net worth and reduction of its liabilities.

### **Management Discussion & Analysis**

While the global recovery was still slow and witnessing divergent trends, Indian Economy grew at 7.8% in the Financial Year 2015-16, against 7.3% in 2014-15 (Source: Indian Statistical Office (CSO) of India data). The major contributor was the manufacturing sector which registered 7.1% growth for the year.

The Government has initiated a slew of steps to take the economy forward.

### **INDUSTRY OVERVIEW**

#### **Industry structure**

The automotive industry is an engine of growth for the Indian economy. The auto component industry contributes 25.6% to the manufacturing GDP and 2.2% to National GDP, providing direct employment to 1.5 million people. To help the auto component industry, the government has announced a slew of reforms in the Budget 2015 and the Foreign Trade Policy 2015. Forward looking policy measures such as announcement of introduction of GST, consolidation of various exports schemes, simplification of procedures to help integrate India into the global value chain, improving ease of doing business index through online and e-governance interventions and reducing the transaction costs augur well for the industry. The major business of your Company comes from exports. Company also benefitted from the strengthening of the rupee. All these factors have helped the Company immensely.

#### **Outlook, Opportunities and Threat**

The Indian auto industry (the industry) is one of the largest and one of the most competitive in the world. The industry is expected to perform better in the financial year 2016-17 in view of the improving macros – the Seventh Central Pay Commission bounty, softening interest rates, lower fuel cost and inflation.

The Indian Commercial Vehicle Industry is witnessing sizeable investments by Original Equipment Manufacturers (OEMs) towards upgrading their product portfolio, introducing new models and expanding manufacturing capacities.

Government of India aims to make automobile manufacturing the main driver of 'Make in India' initiative and has set up a separate independent Department for Transport, comprising of experts from the automobile sector. Investments in road projects is expected to grow at a healthy pace during the next five years, led by the government's focus on the sector.

### **Deposits**

During the year under review, your Company did not accept any deposits within the meaning of provisions of Chapter V – Acceptance of Deposits by Companies of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014.

### **Share Capital**

The paid up equity share capital as on 31st March 2016 was Rs. 16.13 cr.

During the year, Company issued 23,40,499 Shares to FCCB holders and 2,24,359 Shares to Promoters on account of Settlement reached and full and final Settlement of their dues.

### **Research & Development**

Research and development is viewed as crucial for development of the Company. These activities add in expanding and upgrading the product portfolio and improving the offerings to the customers.

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

The information pertaining to conservation of energy, technology absorption, foreign exchange earnings and outgo as required under section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is furnished in Annexure I and is attached to this Report.

### **Auditors**

The auditors M/s P. G. Bhagwat, Chartered Accountants, hold office until the ensuing Annual General Meeting, and have furnished a certificate in terms of Sec. 224(1) of the Companies Act, 2013, about their eligibility.

### **Secretarial Auditor**

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 Mr. Devendra V. Deshpande, Practicing Company Secretary (Certificate of Practice Number: 6099) to undertake the Secretarial Audit of the Company.

In terms of provisions of sub-section 1 of section 204 of the Companies Act, 2013, the Company has annexed to this Board Report as Annexure II, a Secretarial Audit Report given by the Secretarial Auditor.

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

### **Employees**

#### **Key Managerial Personnel (KMP)**

The following have been designated as the Key Managerial Personnel of the Company pursuant to



sections 2(51) and 203 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

- a) Ms. Sulajja Firodia Motwani – Vice Chairperson
- b) Mr. Ajinkya A. Firodia – Managing Director & CFO
- c) Mr. Rohit Purandare – Company Secretary (CS)

Mr. Mukund Tasgaonkar, CFO of the Company resigned during the year. In his place Mr. Ajinkya A. Firodia, Managing Director of the Company was designated as Chief Financial Officer (CFO).

#### **Particulars of Employees and related disclosures:**

In terms of the provisions of Section 197(12) of the Companies Act, 2013 read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the names and other particulars of the employees drawing remuneration in excess of the limits set out in the said Rules are provided in the Annexure forming part of the Annual Report.

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided in the Corporate Governance Report which is attached as Annexure III forming part of the Annual Report.

Having regard to the provisions of Section 136(1) read with its relevant provision of the Companies Act, 2013, the Annual Report excluding the aforesaid information is being sent to the members of the Company. The said information is available for inspection at the Registered Office of the Company during working hours and any member interested in obtaining such information may write to the Company Secretary and the same will be furnished without any fee and free of cost.

#### **Board Meetings and Annual General Meeting**

During the year, 5 meetings of the Board of Directors were held. The details of the meetings are furnished in the Corporate Governance Report which is attached as Annexure-III to this Report.

A calendar of Meetings is prepared and circulated in advance to the Directors`

During the year 1st April, 2015 to 31st March, 2016, 5 Board Meetings were held on 22nd July, 2015, 13th August, 2015, 9th November, 2015, 31st December, 2015, 12th February, 2016. The 44th Annual General Meeting (AGM) of the Company was held on 30th September, 2015.

#### **Meetings of Independent Directors**

The Independent Directors of the Company meet before

the Board Meetings without the presence of the Chairman & Managing Director or Executive Director or other Non-Independent Directors or Chief Financial Officer or any other Management Personnel.

These Meetings are conducted in an informal and flexible manner to enable the Independent Directors to discuss matters pertaining to, inter alia, review of performance of Non-Independent Directors and the Board as a whole, review the performance of the Chairman of the Company (taking into account the views of the Executive and Non-Executive Directors), assess the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

#### **Audit Committee**

This Committee comprises of the following Directors viz. Mr. Shirish R. Kotecha (Chairman of the Committee), Mr. Jinendra H. Munot, Mr. Ramesh J. Kabra and Mr. K. H. Sancheti. All the Members are Independent Directors. All the Members of the Committee possess strong accounting and financial management knowledge. The Company Secretary of the Company is the Secretary of the Committee.

All the recommendations of the Audit Committee were accepted by the Board.

#### **Directors and Key Managerial Personnel**

During the year under review, there was no change in the composition in the Board of Directors of the Company.

Ms. Sulajja Firodia Motwani, Vice Chairperson of the Company, retires by rotation at the forthcoming Annual General Meeting, and being eligible offers herself for re-appointment.

The Independent Directors of the Company have declared that they meet the criteria of Independence in terms of Section 149(6) of the Companies Act, 2013 and that there is no change in their status of Independence.

Mr. Mukund Tasgaonkar, Chief Financial Officer of the Company resigned from the post w.e.f. 30th June, 2015. In his place Mr. Ajinkya A. Firodia, Managing Director of the Company was designated as Chief Financial Officer at the Board Meeting held on 31st December, 2015.

#### **Extract of Annual Return**

Pursuant to sub-section 3(a) of section 134 and sub-section (3) of section 92 of the Companies Act, 2013 read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of the Annual Return as on 31st March, 2016 in Form No. MGT 9 is attached herewith as Annexure IV and forms part of this Report.