



KINETIC ENGINEERING LIMITED

Annual Report 2016-17

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. SOURAV CHOWDHURY

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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N O T I C E

NOTICE is hereby given that the 46th Annual General Meeting of the shareholders of KINETIC ENGINEERING LIMITED will be held on Friday, 29th day of September, 2017 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 Financial Statement as at 31st March, 2017, together with the Reports of Auditors and Directors thereon.
2. To appoint a Director in place of Mr. Arun H. Firodia (DIN: 00057324), who retires by rotation and is eligible for re-appointment.
3. To appoint auditors and fix their remuneration.

To consider and if thought fit, to pass the following as an Ordinary Resolution:

“RESOLVED that pursuant to the provisions of sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) read with the Companies (Audit and Auditors) Rules, 2014 [including any statutory modification(s) or re-enactment(s) thereof, for the time being in force] and pursuant to the recommendation of the Audit Committee and the Board of Directors, Messrs Pawan Jain & Co. , Chartered Accountants (ICAI Firm Registration No. 101248W), be appointed as Statutory Auditors of the Company, in place of retiring Auditors Messrs PG Bhagwat., Chartered Accountants (ICAI Firm Registration Number 101118W), to hold office for a term of 5 (five) years from the conclusion of this Annual General Meeting (AGM) until the conclusion of the 51st AGM to be held in the year 2022 (subject to ratification of their appointment by the Members at every intervening AGM held after this AGM as may be required under the Act), at a remuneration to be determined by the Board of Directors of the Company in addition to out of pocket expenses as may be incurred by them during the course of the Audit.

FURTHER RESOLVED that approval of the Company be accorded to the Board of Directors of the Company (including any Committee thereof) to do all such acts, deeds, matters and things and to take all such steps as may be required in this connection including seeking all necessary approvals to give effect to this Resolution

and to settle any questions, difficulties or doubts that may arise in this regard.”

By Order of the Board of Directors
For **KINETIC ENGINEERING LIMITED**
Sourav Chowdhury
Company Secretary

Date: 31/08/2017

Place: Pune

Additional Information related to Item No. 3:

Pursuant to the provisions of section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, Messrs PG Bhagwat & Co., Chartered Accountants (ICAI Firm Registration Number 101118W), the present Auditors of the Company would be completing their term as Auditors. They hold office upto the conclusion of ensuing Annual General Meeting of the Company. Accordingly, the Board of Directors has recommended the appointment of Messrs Pawan Jain & Associates, Chartered Accountants (ICAI Firm Registration No. 101248W), as Statutory Auditors, in place of retiring Auditors Messrs PG Bhagwat & Co., Chartered Accountants, to hold office for a term of 5 (five) years from the conclusion of this Annual General Meeting until the conclusion of the 51st Annual General Meeting, at a remuneration to be determined by the Board of Directors of the Company in addition to out of pocket expenses as may be incurred by them during the course of the Audit. In terms of the requirements of the present proviso to section 139(1), the appointment of the new Auditors shall be subject to ratification by the Members at every intervening AGM held after this AGM.

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 provision of SEBI LODR regulation.
- 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 27/09/2017 to 29/09/2017 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 Intime India Pvt. Ltd. on 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 under the provision of SEBI(Listing Obligations and Disclosure Requirements) Regulation 2015, 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 22nd September, 2017 (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:

The voting period begins on 26th September 2017 at 9.00 a.m. and ends on 28th September 2017 at 5.00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 22ND September 2017 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

- 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 during the voting

period

- (ii) Click on Shareholders / Members
- (iii) Now Enter your User ID
- For CDSL: 16 digits beneficiary ID;
 - For NSDL: 8 Character DP ID followed by 8 Digits Client ID;
 - Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (iv) Next enter the Image Verification as displayed and Click on "Login".
- (v) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vi) If you are a first time user follow the steps given

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

PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Address Sticker.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iii).

- (vii) After entering these details appropriately, click on "SUBMIT" tab.

- (viii) 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.

- (ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

- (x) Click on the Electronic Voting Sequence Number (EVSN) of "KINETIC ENGINEERING LIMITED"

- (xi) 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.

- (xii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiii) 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.
- (xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvi) If Demat account holder has forgotten the changed login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.



(xvii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.

(xviii) Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- 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:

- Please follow all steps from Sr. No. (i) to Sr. No. (xviii) above, to cast vote.
- The voting period begins on Tuesday, 26th September, 2017 at 9.00 a.m. IST and ends on Thursday, 28th September, 2017 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 22nd September, 2017, 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.com under help section or write an email to helpdesk.evoting@cdslindia.com.

D. General Instruction:

- 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.
- The Company has appointed Mr. Dinesh Birla, Practicing Company Secretary, as the Scrutinizer for conducting the e-voting process in fair and transparent manner.

"Details of Directors seeking appointment/ re-appointment at the Annual General Meeting (In pursuance of Corporate Governance provision of SEBI LODR)"

Name of Director	Mr. Arun H. Firodia
Age	72
DIN	00057324
Date of Appointment	1st July, 1987
Qualification	B. Tech M.S. (Ele. Engg.), M. S. (Management)
Expertise	Rich Experience in Automobile Industry more than 42 Years
Directorship as on 31st March, 2017	Jaya Hind Sciaky Ltd., Kinetic Communication Ltd., Kinetic Engineering Ltd., Kinetic Taigene Electrical Co. Pvt Ltd., Ducati Energia Pvt. Ltd., Kinetic Marketing and Services Ltd., Kinetic Auto Ltd., MV Agusta India Pvt Ltd., Kinetic Kids Products Pvt. Ltd., Karina Tourism and Adventures Pvt. Ltd., Kinetic Hankuk Electricals & Electronics Pvt Ltd,
Chairmanship/Membership of Committees of other Companies as on 31st March 2017	NIL
Shareholding in the Company	108473

DIRECTOR'S REPORT 2016-17 (Including Management Discussion & Analysis)

Dear Members,

Your Directors present the 46th Annual Report on the business and operations of Kinetic Engineering Limited and the Audited Financial Accounts for the financial year ended 31st March, 2017.

Business Overview

I believe that the year 2016 – 2017 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 2016 – 2017, your Company has started the supplies and ramp up formajor 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) Renault – Nissan: Your company has successfully productionised and ramped up 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. In the year, the company has ramped up to 850 sets per day, and installed a capacity of 1200 sets per day, which is expected to be utilized in the coming year as RNTBC plans to export the components to various global markets. 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 Company has reached a volume of 45,000 per month and is expected to reach a volume of 58,000 per month in the coming year.

The Above 2 business alone are expected to ramp up to an annual revenue of 40 – 50 crores making them extremely important customers. We also hope to get additional new businesses from the prestigious customers and are working towards obtaining such RFQs from them.

Your Company has also commenced the mass 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. The IPR for the said gearbox will be shared between your company and customer and hence this is the first product available for Your Company as its own product since the commencement of auto components. Your Company also believes that successful implementation of the above initiatives shall result in larger business opportunities from these very premium customers.





The new gearbox being developed for Ashok Leyland

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.

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 – 400 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 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 is regularly developing its employees by utilising "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.

Management Discussion & Analysis

India has emerged as the fastest growing major economy in the world as per the Central Statistics Organisation (CSO) and International Monetary Fund (IMF) As per the Economic Survey 2016-17 the Indian economy should grow between 6.75 and 7.5 percent in F.Y. 2017-18. India has become the sixth largest manufacturing country in the world. India is seen as an engine of global growth.

IMF in April 2017 retained its growth forecast of 7.2% for India for the fiscal year 2017-18 in its World Economic Outlook and also estimated that India would grow at 7.7% in 2018-19.

Industry structure

The overall Commercial Vehicles segment registered a growth of 4.3 percent in April-March 2017 as compared to the same period last year Medium & Heavy Commercial Vehicles (M&HCVs) grew by 2.5 percent and Light Commercial Vehicles grew by 5.5 percent during April-March 2017 over the same period last year.

The tractor industry has showed a positive Growth during F.Y. 2016-17. While domestic volumes increased by 18.2% between April 2016-January 2017, exports remained flat Domestic growth was fuelled by favourable farm sentiments as the southwest monsoon performance remained healthier compared to the previous two fiscals

Outlook, Opportunities and Threat

Government of India aims to make automobiles manufacturing the main driver of 'Make in India initiative, as it expects India to be the third largest Automotive market and Commercial Vehicle production expected to grow to two million by 2026, as highlighted in the 'Auto Mission Plan 2016-26'.

The proposed 'Voluntary Vehicle Fleet Modernisation Plan' (V-VMP) has received an in-principle approval by the Committee of Secretaries. The proposal will have to be cleared by the Union Cabinet for implementation. The proposal provides incentives worth 8-12 percent of the cost of a new vehicle in lieu of surrendering the old ones

and looks to get several million over- 15-years-old vehicles off the road, thereby reducing vehicular emission. This policy if implemented, will give a big boost to the Commercial Vehicles Industry.

A lot is expected to happen in 2017 on the regulatory front and with introduction of Goods and Service Tax (GST). With so many policy-level developments expected all through the year, the auto industry is surely expected to face a challenging year, as per 'Society of Indian Automobile Manufacturers' (SIAM).

ICRA- the Rating Agency, has forecast a growth of about 6-7% for the tractor industry (domestic + exports) in F.Y .2018, which is marginally lower than the long term CAGR estimate of 8-9% for the industry. ICRA says the long term industry drivers continue to remain intact.

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.

The Company has received advance from the Director which disclosed in the Financial statement for the Financial year 2016-17.

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 Board after review the recommendation of the audit committee, hereby recommend the name of M/s Pawan Jain & Associates, Chartered Accountants, Pune hold office until the conclusion sixth Annual General from this Annual General Meeting to be held in the calendar year 2022, and informed that M/s Pawan Jain & Associates, Chartered Accountants, Pune has submitted his consent and a certificate in terms of Sec. 139(1) of the Companies Act, 2013, about their eligibility.

The Audit Report does not contain any qualification,

reservation or adverse remark.

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 Deshpande, Practicing Company Secretary (Certificate of Practice Number: 6515) 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. Sourav Chowdhury – Company Secretary (CS)
- Mr. Rohit Purandare, Company Secretary of the Company resigned during the year. In his place Mr. Sourav Chowdhury, has been appointed as Company Secretary of the Company.

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, 4 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, 2016 to 31st March, 2017, 4 Board Meetings were held on 28th May 2016 9th August, 2016, 14th November, 2016, 13th February, 2017. The 45th Annual General Meeting (AGM) of the Company was held on 30th September, 2016.

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. All the Members are Independent Directors. All the Members of the Committee possess 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.

Mr. Arun H. Firodia, Director 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. Rohit Purandare, Company Secretary of the Company resigned from the post w.e.f. 31st January 2017 and consider at the Board Meeting held on 13th February 2017. In his place Mr. Sourav Chowdhury, was designated as Company Secretary at the same Board Meeting.

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, 2017 in Form No. MGT 9 is attached herewith as Annexure IV and forms part of this Report.

Board Evaluation

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing obligation and Disclosure Requirements) Regulation 2015 (hereinafter referred to as "LODR"), Independent Directors at their meeting without the participation of the Non-independent Directors and Management, considered/evaluated the Boards' performance, Performance of the Chairman and other Non-independent Directors.

The Board have undergone a formal review which comprised Board effectiveness survey, 360 degree and review of materials. This was delivered by an external specialist and resulted in a full Board effectiveness report and Directors' feedback. This is further supported by the Chairman's Annual Director Performance Review.

The Board subsequently evaluated its own performance, the working of its Committees (Audit, Nomination and Remuneration and Stakeholders Relationship Committee) and Independent Directors (without participation of the relevant Director).

The criteria for performance evaluation have been detailed in the Corporate Governance Report which is attached as Annexure-III to this Report.

Material changes and commitments affecting the financial position of the Company which have occurred between March 31, 2017 and August 31, 2017 (date of the Report)

There were no material changes and commitments affecting the financial position of the Company between