moserbaer

Annual Report | 2016 - 17

BOARD OF DIRECTORS

MR. DEEPAK PURI

Chairman & Managing Director

MRS. NITA PURI

Whole Time Director

MR. VINEET SHARMA

Independent and Non-Executive Director

MR. SANJAY JAIN

Independent and Non-Executive Director

MR. SAMRISH BHANJA

Independent and Non-Executive Director

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CHAIRMAN'S MESSAGE

Dear Shareholders,

After a lackluster outturn in 2016, the economic activity is projected to pick up pace in 2017 and 2018, especially in the emerging market and developing economies. However, there is a wide dispersion of possible outcomes around the projections, given global uncertainties and geo-political ramifications. While I do see that the outlook for advanced economies has improved for 2017–18, but growth prospects have marginally worsened for emerging market and developing economies, where financial conditions have generally tightened. Near-term growth prospects were revised upwards for China, due to expected policy stimulus, but were revised down for a number of other large economies—most notably India, Brazil, and Mexico.

In such an environment, conducting business could be akin to travelling through a tunnel without sight of the end. However, the Government of India has taken multiple actions aimed at promoting the Indian economy, notwithstanding the short term pains.

The narrative is no longer, 'can India be the destination of growth', today the focus is on 'when' and 'how' and not 'if'. The current environment under steady hands will help the companies ride the storm into calmer seas.

In short, as India strives to improve the quality of life for its citizens and lays the foundation for a sustainable future, the country is generating many lessons on development.

Although there are few blueprints for development on such a large and diverse scale, India has pioneered a host of bold new initiatives to address these and other challenges. Since the current government has the political will to drive this blueprint to its logical end, India could grow rapidly during fiscal 2018 to 2022 powered by greater access to banking, technology adoption, urbanisation and other structural reforms. India is on track to achieve a major reform of indirect taxes through GST without increasing the burden on the poor. Given the efficiency and revenue gains that the reform will eventually achieve, the overall impact of GST on both equity and poverty can be expected to be positive.

India's economy was slowing down in early FY 2016-17, until the favorable monsoon started lifting the economy, but the recovery was temporarily disrupted by the government's "demonetization" initiative. On November 8, 2016, the government demonetized (i.e. removed legal tender status from) an estimated 23 billion INR 500 and INR1000 banknotes, corresponding to 86% of India's currency in circulation. Demonetization caused an immediate cash crunch, and activity in cash reliant sectors was impacted. GDP growth slowed down to 7.0 % year-on-year during the third quarter of 2016-17 from 7.3 % in the first quarter.

As a result, a modest slowdown took place in the GDP growth in FY 2016-17 to 6.8 %. According to a recent update, growth is expected to recover in FY 2017-18 to 7.2 % and is projected to gradually increase to 7.7 % in FY 2019-20.

Since our last report, despite a strong customer base led by our long term relationships with key OEMs in the Optical Media space as also healthy growth prospects within the Solid State Media and Solid State Lighting segments, your company had to face severe headwinds caused principally on account of severe liquidity constraints resulting in lack of working capital to fund operations in order to meet the on-going business opportunities. The company made every effort within its means to augment its liquidity, whether in terms of securing additional customer advances, enhanced vendor financing, sale of noncore assets as also a continuing dialogue with lender banks towards restructuring and resolution of the existing debt. However, despite our perseverance, the efforts did not yield the desired results and the resultant shortfall in liquidity has led to a progressive decline in our operations. During this period, every effort was made to rationalize costs, and while healthy progress was made towards optimizing the cost structure, this was not adequate to compensate the shortfall in overall margins, resulting in higher levels of stress and financial strain.

We continue to work on garnering support from all our stakeholders including banks and financial institutions, customers, vendors and other business associates to help us through these difficult times and I remain fully committed to help us traverse this path. We have done it in the past and I see no reason why this cannot be done in the future. However, it must be said that there is still some way to go to achieve the requisite consensus as also to impart the much needed liquidity to be able to tread the potential revival path.

The Company has been constantly working on consolidation measures and restructuring of its operations according to business imperatives, while it continues to make in-roads into the energy efficient LED lighting business and remains a key player in the Solid State Media Segment.

I am indeed proud and feel humbled to have the support and commitment of our stakeholders. Our perseverance along with the grit and determination will help overcome the challenging times that are being faced by your Company. Together, we will continue to work on our revival for a better tomorrow.

Best Regards,

(Deepak Puri)

DIRECTORS' REPORT

Dear Shareholders,

Your Directors do hereby present their 34th Annual Report on the business and operations of the Company together with the Audited Financial Statement for financial year ended 31st March, 2017.

Financial Results (Standalone Operations)

Particulars	(Rupees in Million)	
	Year ended March 31, 2017 (Twelve Months)	Period ended March 31, 2016 (Fifteen months)
Gross Sales, Service Income and other Income	5,610	7,804
Profit /(Loss) before Depreciation, Interest and Tax but after Prior Period Items	(358)	(700)
Depreciation / Amortization	621	1,061
Interest and Finance Charges	2,126	2,744
Profit / (Loss) before Exceptional Items and Tax	(3,105)	(4,505)
Exceptional Items	(8,034)	(2,532)
Profit / (Loss) before Tax	(11,139)	(7,037)
Tax Expenses	-	-
Profit / (Loss) after Tax	(11,139)	(7,037)
Profit / (Loss) Carried Forward from Last Year	(23,605)	(16,457)
Depreciation adjustment against reserves	-	(111)
Profit/(Loss) Carried forward to Balance Sheet	(34,744)	(23,605)

Operations

Gross Revenues for the financial year ended March 31, 2017 stood at INR 5,610 million, Loss before depreciation/ amortisation, interest, exceptional items and tax stood at INR (358) million.

Market Environment and Outlook

Storage Media Business

During the financial year ended March 31, 2017, liquidity challenges continued to persist impacting operations. In the second half of the fiscal, the domestic business was additionally impacted by the effects of demonetization which resulted in short term economic pressures but is expected to result in structural changes which will be beneficial in the long term. While Average Selling Prices (ASPs) held strong during the year, the volumes were negatively impacted. However, the Company has been consistently working on improving cost efficiencies across the entire value chain.

Regulatory action by the Government of India against dumping of USB drives by players from select countries and the support of a key OEM customer has allowed Moser Baer the opportunity to build back its market share in this segment through sale of the Moser Baer and other OEM branded products.

Moser Baer continues to remain one of the leading players in the global Storage Media industry both in terms of low cost mass manufacturing and in offering a wide range of high quality products. Our strong focus on quality and service has resulted in continued business alliances with leading OEMs across the world.

During the year, the Company undertook several steps aimed at lowering its overheads and aligning resources with the current level of operations. Further consolidation of operations in the Greater Noida facility is being implemented which will result in lower power consumption and reduced fixed overheads. The company continued to right size its employee base to current level of operations. These steps are expected to set the company back on a revival path in the near to medium term.

In the medium term, the Optical Media industry is expected to continue to witness overall volume decline globally. The trend is more accelerated in the developed economies. However, emerging markets such as Africa, Eastern Europe and parts of Asia would continue to remain stable with pockets of growth in DVD and Blu-ray formats.

In the near future, the Solid State Media segment is expected to continue to exhibit a healthy growth trend, given the market demand, regulatory action against predatory imports, strong relationships with OEM customers and a strong brand equity that Moser Baer enjoys in India, and is limited only by the current liquidity constraints.

The Company continues to focus on product innovation, while upholding its high quality standards, increasing in its cost competitiveness and widening its distribution network.

Solid State Lighting

The company had ventured into the Solid State Lighting business some time ago as a strategic initiative to build a potential new business growth segment by leveraging its existing manufacturing facilities and capabilities. During the year, the Company moved further, despite constraints, towards establishing itself as a key player in the Indian LED market, with a large number of B2B clients and an initial foray into the B2C segment.

We continue to produce LED lighting products in our manufacturing facility (with imported LED Chips and a few other components), while leveraging our existing asset and skill base. We will however continue to work with outsourced contract manufacturers also to manufacture select LED products designed by Moser Baer as per our quality specifications.

The company is scaling up operations in LED lighting space by leveraging its brand equity and expanding its distribution network nationally as also in making further inroads into the burgeaoning B2B segment. However, its ability to grow rapidly is still hampered by the limited availability of liquidity, an aspect which is being addressed in the revival strategy.

Photo Voltaic Business

In the Solar PV segment, 2016 was a record year with the global solar industry witnessing installations of 76.6 GW while the home market added more than 4.3 GW capacity in 2016 to reach a cumulative capacity of 9.8 GW by the end of the calendar year. Moser Baer utilized its cell and module manufacturing facilities to take advantage of opportunities due to the Domestic Content Regulations in the solar sector.

However, liquidity pressures continued to persist during the year critically impacting our ability to enhance manufacturing operations and capacity utilization levels. Nonetheless, the positive global macro sector environment along with a large potential domestic market provides opportunity to us to benefit from these segments, given that we are one of the largest integrated PV manufacturers in India.

Dividend

Considering the operating performance for the financial year ended on March 31, 2017, your Directors do not recommend any dividend for the year.

Reserves

During the year, considering the operating performance, the Company has not transferred any amount in General Reserve.

Fixed deposits

During the year under review, your Company has not accepted any deposit under Section 73 of the Companies Act, 2013 and rules made there under.

Share Capital

During the year the Company has not allotted any shares.

Financial Year

The Company closed its financial year on March 31, 2017. The previous reported financial period ending March 31, 2016 was for a period of 15 months.

Consolidated Financial Statement

Your Company is also presenting the audited consolidated financial statements prepared in accordance with the Accounting Standard 21 issued by the Institute of Chartered Accountants of India. Further, pursuant to the provisions of Section 129(3) read with Rule 5 of Companies (Accounts) Rules, 2014, statement containing salient features of the financial statements of subsidiary companies is disclosed separately and forms part of the annual report

Board of Directors and its meetings

In terms of the provisions of Section 152 of the Companies Act, 2013, Mr. Deepak Puri, Chairman and Managing Director, retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

Further, the tenure of Mr. Deepak Puri as Managing Director of the Company is expiring on August 31, 2017. He is proposed to be re-appointed as Managing Director for a further period of 3 years w.e.f. September 01, 2017. Further, the tenure of Mrs. Nita Puri as Whole Time Director of the Company expires on November 30, 2017 and is therefore proposed to be re-appointed as Whole Time Director for a further period of 3 years w.e.f. December 01, 2017.

During the year under review, the Company conducted five Board Meetings i.e. May 25, 2016, August 11, 2016, October 01, 2016, November 10, 2016 and February 09, 2017.

The details of Directors being recommended for appointment or re-appointment pursuant to Regulation 33(3) of the Listing Regulations are contained in the accompanying Notice of the ensuing Annual General Meeting.

All the independent directors inducted into the Board are provided with various materials on the Company and updated from time to time.

The Company has constituted various Committees of the Board of Directors, details whereof are given in Corporate Governance Report.

Appointment and declaration of Independent Directors

The Company has received a declaration of independence from all Independent Directors under Section 149(6) of Companies Act, 2013 and rules made there under. This is also in compliance of regulation 25(2) of SEBI (LODR) Regulation, 2015.

Key Managerial Personnel

The Company has the following Key Managerial Personnel:

Mr. Yogesh Bahadur Mathur, Group President – Moser Baer & Group Chief Financial Officer is the Chief Financial Officer and Mr. Neeraj Parmar is the Company Secretary.

Subsidiary and Associate Companies

As on March 31, 2017, the Company had 21 subsidiaries including indirect subsidiaries. All these companies are 100% beneficially owned by Moser Baer India Limited. The Company regularly monitors the performance of such companies. Details of subsidiaries are given in the Annexure to this report.

The Company shall make available the annual accounts of the subsidiary companies to any member of the Company who may be interested in obtaining the same. The annual accounts of the subsidiary companies will also be kept open for inspection at the registered office of the Company and respective subsidiary companies. Further, the annual accounts of the subsidiaries are also available on the website of the Company viz. www.moserbaer.com. The consolidated financial statements presented by the Company include the financial results of its subsidiary companies.

Policy on director's appointment and remuneration

The current policy is to have an appropriate mix of executive and independent directors to maintain the independence of the Board, and separate its function of governance and management. As on March 31, 2017, the Board consist of five members, two of whom are executive/whole-time directors, remaining three are independent directors.

The policy of the Company on director's appointment and remuneration, including criteria for determining qualifications, positive attributes, independence of a director and other matters provided under Sub-section (3) of Section 178 of the Companies Act, 2013, adopted by the Board, is appended as Annexure1 to the Board's report. We affirm that the remuneration paid to the directors is as per the terms laid out in the nomination and remuneration policy of the Company.

Circulation of Audited Financial Statements

In terms of the provisions of section 136 of the Companies Act, 2013, the Board of Directors have decided to circulate the abridged Annual Report containing salient features of the Balance Sheet and Statement of Profit & Loss to the shareholders for the financial year ended on 31st March, 2017. Full version of the Annual Report will be available on Company's website www.moserbaer.com and will also be made available to shareholders upon request.

As in the previous year, this financial year too, the Company is publishing statutory information in the print version of the annual report. However, we shall be sending full Annual Report through email to those shareholders who have registered their email id with their Depository Participant/Company's Registrar & Share Transfer Agent. In case a shareholder wishes to receive a printed copy, he/she may please send a request to the company, which will send the Annual Report to the shareholder. For members who have not provided their email ids, physical copy is being sent in permitted mode.

Auditors & Auditor's Report

At the Annual General Meeting of the Company held on 30th September, 2016, the appointment of M/s. Walker, Chandiok & Co. LLP (Firm Regn. No. 001076N/N500013), Chartered Accountants as statutory auditors of the Company to hold office until the conclusion of 37th Annual General Meeting, was ratified. Further, in accordance with Section 139 of the Companies Act, 2013, the appointment of M/s. Walker, Chandiok & Co. LLP is placed for ratification by the shareholders at this Annual General Meeting.

The Audit Committee at its meeting held on August 22, 2017 has recommended to ratify the appointment of M/s. Walker, Chandiok & Co. LLP as statutory auditors of the Company.

The Auditors' in their Report to the members, have given three qualified opinions (Point Nos. 8 to 10 of their report) and the response of your Directors with respect to them are as follows:-

Response to Point (8)

In absence of definitive agreement with banks with respect to calculation of interest on loan liability, management is unable to comment upon the impact of exit from CDR on the carrying value of short term borrowings, other current liabilities and interest expense for the financial year ended March 31, 2017 and the consequential impact on the financial statements.

Response to Point (9)

In view of the numerous uncertainty and accumulated losses, Auditor's shows inability to uncertain of quantum of impairment in respect of carrying value of fixed assets. However, the Company feels that in view of impairment recorded based on valuation report done by independent valuer no further impairment is necessary.

Response to Point (10)

The matter has been evaluated and the Company is of the view that the diminution, if any, even if it exists is only temporary and that sufficient efforts are being undertaken to revive the said subsidiaries in the foreseeable future so as to recover carrying value of the investment. Further, management believes that the loans and advances given to the company and trade receivables are considered good and recoverable based on the future projections of the said subsidiary and accordingly no provision other than those already accounted for, has been considered necessary.

In view of the above, the impact of the above stated qualifications on the financial statements cannot be quantified. For details please refer Annexure placed next to respective Auditors' report.

With respect to the observation in Auditors Report on Internal Financial Controls, the Company is constantly endeavoring to improve the standards of internal control in various areas and taking steps to strengthen the internal control system to make it commensurate and effective with the size of the entity and the nature of its business.

There was no matter to be reported by the Auditors/Board of Directors as per requirements of Section 143(12) or Section 134(3)(ca) of the Companies Act, 2013.

Directors' Responsibility Statement

Pursuant to Section 134(5) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability, confirm that:

- In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- We have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as on March 31, 2017 and of the loss for the year ended on that date;
- We have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- We have prepared the annual accounts on a going concern basis.
- We have laid down internal financial controls to be followed by the company and such internal financial controls are adequate and the Company is constantly endeavouring to improve the standards of internal control in various areas and taking steps to strengthen the internal control system to make it commensurate and effective with the size of the company and the nature of its business.
- We have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Stock Option Plan - 2015

During the year under review, the Nomination and Remuneration Committee of the Board of Directors has not granted any options to employees of the Company under Stock Option Plan – 2015 as the scheme has not yet been implemented.

Restructuring of Outstanding Foreign Currency Convertible Bonds (FCCB)

The financial statements for the year ending March 31, 2017 reflect outstanding FCCBs at their face value of $ 88.4 mn (equivalent to Rs 5,732.7 million), along with premium on redemption. As at 31 March 2017, such accrual for premium on FCCB aggregates Rs 5,646.8 million. The company is in the process of negotiation with the bondholders to re-structure the terms of these bonds. This is now subject to the approval of secured lenders, which is expected to be settled only along with the resolution of secured debt.

Debt Restructuring

The Corporate Debt Restructuring (CDR) schemes of the Company, as well as of its subsidiary PV companies were earlier approved in FY 2012-13 and had been under implementation. A debt of INR 23,700 million for the company, INR 8,650 million for Helios Photo Voltaic Ltd. and of INR 9,560 million for Moser Baer Solar Ltd. was conclusively restructured, additional funds provided and interest funded. After execution of the Master Restructuring Agreement and other key documentation, the respective schemes had been under implementation.

The Company however continued to face severe liquidity issues primarily resulting from non-release of sanctioned working capital limits and refunds due to the Company. As a result, the Company has been unable to comply with repayment terms of its borrowing arrangement with secured lenders as agreed in the CDR package approved in year ended March 31, 2013. The banks exited from the CDR mechanism on 10 October 2016. The Company then approached the lender consortium for a fresh proposal for resolution of its secured debt in November 2016. The banks instituted a TEV study which was conducted by an expert appointed by the bank which submitted its report to the lenders. However, the proposal did not find favour with the banks. The lenders indicated their inability to accept the TEV and further indicated their intention to initiate legal proceedings against the company. The Company has received debt recall and notices under the SARFAESI Act from consortium lender banks for their respective share of debt which the Company has challenged and will take further appropriate steps as may be advised by its counsel. The Company continues to engage with management of banks on debt resolution proposal.

Even after the exit of Company from CDR mechanism, the Company has continued to operate through TRA with 9% tagging against which it has represented for discontinuance/ relief. The management has also taken an expert opinion from a leading law firm about the options available to the banks and the possible legal defences available to the company.

The CDR Lenders now have to take a decision of how they wish to pursue further course of action on resolution or recovery action. The company expects that lender banks will take remedial action as opposed to recovery action. With the promulgation of the Insolvency and bankruptcy code, the company has the risk of recovery/liquidation as well as an opportunity to present its case on the resolution of debt.

As on 31st March, 2017, one of the lender banks, which is part of the CDR consortium of the Company, has assigned its outstanding dues in favour of an asset reconstruction company on the same terms and conditions as applicable to the said lender.

The Company continues to operate at suboptimal levels due to working capital constraints, resulting in adverse impact on cash flow from operations in the current year. The Company is pursuing resolution of debt with secured lenders and FCCBs holders and is expecting removal/ reduction in tagging by the lender banks. The Company also expects to generate cash flow through sale of surplus assets and improve operational efficiencies through reduction in fixed overheads and employee costs. The Company has also entered into an arrangement with main raw material supplier for extension of credit terms and in discussion with customers to provide advance for business. With possible restoration of OEM Optical Media business, positive traction in Solid State media & LED business segments, coupled with promoter contribution and resolution of debt from banks at sustainable levels, the company expects to achieve better utilization of its manufacturing facilities and consequently, generate positive cash flow from operations going forward.

PV Subsidiaries

During FY 2012-13, Secured Lenders (Banks) had approved the Corporate Debt Restructuring of Helios Photovoltaic Limited ("HPVL"), one of the subsidiary companies. The CDR was not fully implemented and HPVL was unable to service the repayments/ payments of loan/ interest in accordance with CDR which resulted in HPVL's debt becoming non-performing assets with all the banks.

Consequently, the Monitoring Institution made a recommendation to the CDR Empowered Group along with approval of majority secured lenders to seek exit of HPVL's account from CDR and the CDR EG approved this exit. A majority of lender banks have issued notices to HPVL recalling their debt. The management continues to explore with lender banks for resolution of debts for revival of the company.

In respect of Moser Baer Solar Limited (MBSL), another subsidiary company, implementation of the CDR Scheme was impacted by factors such as delay in receipt of SIPS Capital Subsidy from the Govt. and non release of working capital limits and refunds by lenders. This resulted in severe liquidity crunch due to which, it was unable to comply with repayment terms of its borrowing arrangements with secured lenders as agreed in the CDR package approved in FY 2012-13. MBSL accordingly approached these lenders for a revised debt restructuring plan/ debt resolution plan. The Monitoring Institution of MBSL instituted a TEV study which was conducted by an independent expert who had submitted its report to the lenders. How ever, the lenders exited from the CDR mechanism subsequently.

Subsequent to exit of two subsidiary companies, Helios Photovoltaic Limited (HPVL) in FY 2015-16 and Moser Baer Solar Limited (MBSL) in FY 2016-17 from CDR, majority of lender banks issued notices to these subsidiary companies recalling their debt under SARFAESI Act. The subsidiary companies have already challenged the said loan recall and enforcement action in its response to those notices and will take further appropriate steps as may be advised by its lawyers. The management has also taken an expert opinion from a leading law firm about the options available to the banks and the possible legal defences available to the company. In the meanwhile, one of the secured lenders have initiated Corporate Insolvency Resolution Process (CIRP) against MBSL in the National Company Law Tribunal under the Provisions of IBC. The subsidiary has submitted a preliminary debt resolution plan to the lenders.

Fortunately, the domestic industry environment in Solar has turned positive in the recent past following the thrust on 'Make in India' and the announcement of a slew of initiatives supporting solar manufacturing. These companies have been operating at sub optimal levels despite the improved market environment, due to working capital constraints. Release of funds under the Special Incentive Package Scheme (SIPS), continuation of Govt. measures supporting manufacturing, additional promoters' contribution, reduction in redundant fixed costs and resolution of debts on sustainable basis are expected to provide improved liquidity, better utilisation of its manufacturing facilities and positive operating cash flows.

The Company intends to continue to engage in constructive discussions with the CDR Lenders on the debt resolution plans for the company and its solar subsidiaries. However, currently the situation is fluid and any of a number of different outcomes could occur including through CIRP.

BIFR registration

Pursuant to the erosion of its net worth, the company had filed a reference and was registered before the erstwhile Board for Industrial and Financial Reconstruction (BIFR) under the Sick Industrial Companies (Special Provisions) Act (SICA) in September 2014. Further, HPVL and MBSL, the PV subsidiaries were also registered with BIFR in September 2014 and June 2015 respectively. The SICA Repeal Act has been notified and BIFR has been dissolved and accordingly, the proceedings before BIFR stand abated w.e.f 1st December 2016.

Particulars of Loans, guarantees or investments

Details of loans, guarantees or investments have been disclosed in the financial statements. The Company has complied with the provisions of Section 186 of the Companies Act, 2013 in relation to loans, investments and guarantees given by the Company. The loans and guarantees etc. were utilised by the recipients for the business purposes.

Human Resources and Industrial Relations

As Moser Baer continued to witness financial constraints and internal challenges that impacted its performance, HR is being stretched to every possible way to make difficult decisions to remain viable and competitive within resource constraints.

In an era where business must do more with less, it is critical that our workforce is performing at its highest level, now more than ever. HR has been constantly working on consolidation measures, cost containment, restructuring of operations, aligning priorities and at the same time maintaining stellar performance level.

With effective and transparent communication with employees and well-structured HR strategies, the organization peacefully managed to consolidate Manpower in terms of business requirement. Moser Baer group closed the year ending March 31, 2017 with 2,889 employees as compared to 3,021 employees at the end of last financial year.

On part of Industrial Relations (IR) at the manufacturing locations, IR has been largely peaceful since the time we had reached a three year wage settlement with workers in April 2015. Although, there have been some intermittent IR disturbances for wages and benefits, the HR is expectedly playing a vital role in maintaining harmonious relations with workers and employees and is watchful for possible preventive measures.

Due to liquidity constraints and the contraction in business, the company could not implement the increment due to the Workers effective 1 April 2017 under the Settlement Agreement of 2015. In March 2017, the Company had apprised the concerned authorities regarding the same and indicated its commitment for implementing the same as and when circumstances permit. The matter has since been referred for conciliation proceedings before the concerned authorities.

Pursuant to the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act 2013 read with Rules thereunder, it is reported that your Company has not received any complaint of sexual harassment during the year under review.

Particulars of employees

In accordance with the provisions of Section 197(12) of the Companies Act, 2013 and Rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the names and other particulars of employees are set out in the Annexure 2 to this report.

Further any member interested in information as per Rule 5.2 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, may write to the Company Secretary at the Registered Office. The said information is also available for inspection at the Registered Office during working hours up to the date of the Annual General Meeting. Annual Report excluding the aforesaid information is being sent to all shareholders of the Company.

Risk Management

The Board of Directors is overall responsible for identifying, evaluating and managing all significant risks faced by the Company. The Board formed a Risk Management Committee which plays an overarching role and establishes the guiding principles by which key risks are managed across the organization.