MANAGEMENT DISCUSSION & ANALYSIS REPORT

ECONOMIC SCENARIO AND OUTLOOK

The Indian economy witnessed another challenging year. India's GDP registered a slow growth of 7.1% in the financial year 2016-17 as compared to 7.6% of previous year. The industry and services sectors decelerated further during the year, recording the slowest growth in three years.

The Financial Year 2016-17 could behold as an economic cleansing as far as India's growth story is concerned, from initializing the implementation of long awaited GST to sudden shocker of Demonetisation, Indian government asserted blunt to deliver time bound and hard hitting reforms to make India's economy vigorous to attain robust economic growth.

Demonetisation had temporarily slowed down economic activities in the third quarter due to cash crunch. Almost all sectors, with the exception of agriculture, showed deceleration after demonetisation. The favourable monsoon and wage increase post-implementation of the 7th Pay Commission has spurred the consumption and in turn helped the economy to come out from slowdown.

In February 2016, India overtook China as the fastest growing major economy in the world amid a failing global economy; However, we can term the financial year 2016-17 as a year of surprises and least speculated as the events happened during the year was either adversely or not being speculated by the experts both in political and economic arena. The decision of setting up a Monetary Policy Committee (MPC) to raising transparency in rate-setting decisions of the Central Bank provides RBI to consider multiple factors such as inflation, growth, employment, banking stability and exchange rate stability to make a rate decision with much firmness. Moreover, with anticipated growth in Foreign Direct Investment (FDI), several international players are expected to enter and start operations in the Indian retail market which is expected to further fuel the consumer market to a new high.

India is an emerging economy and thus the domestic market is moving very fast towards the durables products. With the constant rise in disposable income of people, easy availability of credit and finance, rapid urbanization and easy accessibility to e-commerce portals via internet, the importance of high end products are growing in India at a high pace. By 2025, India would rise from the 12th to the 5th largest position in the consumer durables market in the world. Global corporations view India as one of the key markets from where future growth is likely to emerge. The growth in India's consumer market would be primarily driven by a favorable population composition and increasing disposable incomes.

Global GDP, after witnessing a slowdown, is projected to pick up modestly to around 3.05% in 2018, from just under 3% in 2016, boosted by fiscal initiatives in the major economies. Economic conditions are solidly improving as healthy global demand and rising consumer spending are propelling economic growth. Moreover, downside risks that threatened global economic activity this year such as political instability in Europe, rising trade protectionism following the election of the President, in US in November, 2016 and a slowdown in China have not disappeared, but they have certainly diminished.

INDUSTRY STRUCTURE AND DEVELOPMENT

Industry Structure

Heating Ventilation Air Conditioning & Refrigeration (HVAC&R) systems are becoming one of the key building blocks in the modern infrastructure. The market size of heat exchanger is estimated to grow from USD 13.89 Billion in 2017 to USD 20.65 Billion by 2022, at a CAGR of 8.3% from 2017 to 2022. The high growth is attributed to the growing building & construction industry and increased government investments in infrastructure projects resulting in installation of HVAC&R systems. With healthy growth anticipated in the real estate sector, the country is expected to witness strong infrastructure development, which would boost the market for HVAC systems over the next five years. The Indian market is projected to grow at a CAGR of 9.48% over the next four years. Growing urbanization is fuelling the construction of retail, hospitality, and commercial properties and in turn, expanding the market. As a result of the growing momentum toward smart cities, it is expected that the demand for air cooling systems will continue to grow.

The room air conditioning segment has been capturing majority revenue share in the Indian HVAC&R market and the same trend is expected to retain its dominance in 2019 also. This is largely due to portability, ease of installation and less space requirement by room air conditioning systems. Factors like easy availability of finance, growth in consumer base of rural sector, fall in prices due to increased competition and several proposed residential projects, rapid growth of media and social media have become key growth drivers for the industry. Consequently, on account these factors, segment share of room air conditioners in the Indian HVAC market is expected to increase over the next five years.

India is also emerging as one of the fastest growing transport air conditioner & refrigeration markets in the Asia-Pacific region. Owing to government infrastructure projects such as metro rails, expansion of state & national highways and rising disposable income on travelling and adoption of comfortable lifestyle are expected to fuel the market for transport air conditioner & refrigeration market in India. Increased number of tourists would boost the demand for transport air conditioner & refrigeration systems in the country and it is forecasted that demand for AC coaches with Indian Railways is expected to grow at the rate of approximately 20% every year.

The global HVAC&R Market is basically influenced by growth drivers such as technological advancements which drive demand of the market with high growth rates, extreme weather conditions, growth of population, steady urban development, increase in construction activities in the residential, commercial and industrial sectors and development of transport systems. Due to these factors it is expected that global HVAC market is to grow steadily. One of the primary drivers for this market is the rise in the preference for condensing boilers. Countries with extreme climatic conditions prefer HVAC systems for both cooling and heating purposes. Further, as part of the energy efficiency, renovation of buildings by replacing the old HVAC systems with modern variants is also driving the growth of the global HVAC market. The reduction in operating costs, increase in energy efficiency, and favorable government incentives have spurred the need for replacing existing HVAC components and parts in the US, the UK and Germany.

BUSINESS OVERVIEW

Your Company is one of the largest manufacturer of evaporators and condenser coils for air conditioners and heat exchangers/ radiators serving the entire spectrum of Heating, Ventilation, Air Conditioning and Refrigeration (HVAC&R) Industry, with an in-depth understanding of efficient manufacturing processes. With cutting edge technology, your Company continues to deliver wide range of products and industrial solutions to its customers across the country and overseas.

With its in-house capacity to design, develop, manufacture and maintain highly engineered HVAC systems, LEEL is uniquely positioned in the HVAC systems space as well as in the heat transfer industry. On standalone basis the Company derived 18% of its total revenue from sales of evaporators, heat exchangers and components.

The Company is an 'Original Equipment Manufacturer' (OEM) supplier to major manufacturers/sellers of air-conditioner in India and provides customized air-conditioning solutions for institutional clients like Indian Railways, Metro Rail etc. On the Standalone basis your Company derived 27% of its total revenue from OEM and packed air conditioning segment.

Your Company is vertically integrated across HVAC value chain from manufacturing the heat exchanger / coils, components, air conditioners to selling to OEM's and under its own brand thereby providing an end to end solution in the air conditioning space.

OEM Segment & Packaged Air Conditioning

Your Company is one of the top supplier of room air conditioners to the major brands in India as well as overseas. The Company has global presence with six state-of-art manufacturing facilities located in Bhiwadi, (Rajasthan), Tauru (Haryana), Pantnagar (Uttarakhand), Kala-amb (Himachal Pradesh), Ranipet (Tamil Nadu), Haridwar (Uttarakhand) in India and two overseas manufacturing facilities in Prague, Czech Republic in Europe and one in New Zealand. All the manufacturing facilities are equipped with high grade delivery technologies, latest equipment and large scale manufacturing facility. The products manufactured are wide range of room air conditioners including inverter air conditioners, Roof Mounted Air conditioners, wide range of heat exchangers, air handling units, fans and other components.

It is expected that the penetration level in room air conditioner will go faster in the near future due to increased availability of power and the higher per capita income of the Indian residents. To cater the increased demand, the installed capacities are also being augmented in view of future requirement of air conditioners in India.

The Company has started the manufacturing of inverter air conditioners, being designed and developed by the Company and the Company is also receiving repeated orders from the customers. The other variant of ACs being manufactured by the Company like split and window Ac's are energy efficient star rated products as per BEE (Bureau of Energy Efficiency) norms.

The energy efficient products will play a vital role for the future of the air conditioners in India and around the globe as almost all the countries are focusing on energy efficiency products. The global HVAC business is changing in terms of energy conservation. Montreal Agreement and other environment conservation protocols have phased out the earlier refrigerants which were used in manufacturing of air conditioners and new refrigerants such has 401A, R32, R290 are becoming popular. Accordingly, the Company is focusing more on R&D and developing newer and finer products, which will not only meet consumers' expectations in terms of energy efficiency but global standards for environmental, health & safety.

Heat Exchangers & Components

The growth in retail, hospitality and commercial sectors is significantly boosting the demand for HVAC systems in the country and as a result CAGR of 9.48% over the next four years growth is projected for the market of air conditioners

Further, introduction of new technologies, reduction of prices, increasing number of household units and more emphasis on energy efficient products also fueling need of new innovations amongst the market players.

Your Company is one of the largest Heat Exchanger manufacturers in India. The Company's extensive range of condenser and evaporator coils are used as original equipment in residential and light commercial unitary products, central plants including Air Handling Units (AHU), commercial refrigeration, precision and transport air conditioning applications.

The Company is also a supplier of HVAC systems to Rail/Metro/ defence applications. The Company has its strong presence in packaged air conditioning and oil cooler segment of the Indian Railways. Since the Company has captive facility for sheet metal fabrication and heat exchanger coils, which gives an added advantage and control over quality over such critical components. In future, it looks quite promising since currently only 40% of Indian Railway coaches have built in air condition, which is likely to be increased to about 60% over the next few years.

The Company has also made foray into manufacturing of HVAC to be used by the Delhi Metro Rail Corporation (DMRC) through technology transfer with Toshiba, Japan. Access to Toshiba technology will help the Company into bidding favorably for metro projects for times to come and also 'Make in India' initiative of the Government of India would further strengthen future prospects in this segment. In the defence segment, Indian corporate are set to bag large defence orders; this will bring additional opportunity for participating into defence segment through the existing product portfolio of the Company.

Further, with the background of fast track growth in Railways & Defense sector, coupled with "Make in India" drive, brought enormous opportunities for LEEL to reaffirm existing order book and a need to create additional capacity. The Company extended this opportunity by attracting the Aviation Sector; the Company is designing a complete Oil Cooling System for its latest Aviation and Defense applications. As a prerequisite for Aviation, Space and Defense requirement, LEEL is strengthening its own quality systems and production processes by becoming ready for AS9100 and NadCap certifications, continuing on its core strength of manufacturing the mechanically Bonded Radiators.

Consumer Durable

During the year, the Consumer Durable Segment for the branded products portfolio contributed to 55% of the standalone revenue of the Company. The Company's consumer durable product portfolio included products like air purifiers, inverter Air Conditioners, Air Conditioners with Wi-Fi technology, portable Air Conditioners, dry coolers, state-of-the-art air conditioners, Ultra HD technology LED TV's, Washing Machines, Chest Freezers, Refrigerators, Room Heaters, and other small appliances.

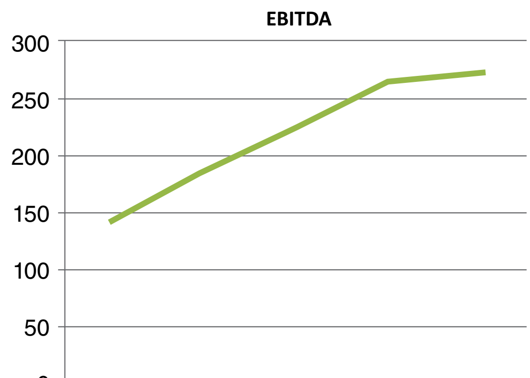
On May 8, 2017, the Company has completed the sale of its consumer durable business alongwith the 'Lloyd' brand and all associated intellectual properties including the brand, logo and the trademarks alongwith specified assets and liabilities including transfer of employees, contracts and approvals relating to this undertaking on a going concern basis to Havells India Ltd. by way of slump sale. This transaction has been commensurated at an enterprise value of Rs.1,550 Crores subject to closing adjustment. No manufacturing facility has been sold as the part of the transaction and company would continue with its existing business of manufacturing of air conditioners, as OEM suppliers for other brands, package air conditioning for railways and heat exchanger business with its core competencies.

STANDALONE FINANCIAL HIGHLIGHTS

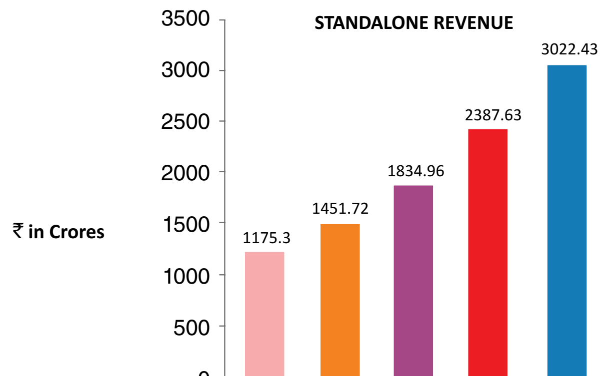
For the financial year ended March 31, 2017, on standalone basis, the revenue from the operations grew by 27% to Rs.3,024 Crores as compared to Rs.2,389 Crores during the previous year. Operating profit for the year was higher by 4% to Rs.274 Crores as compared to Rs.264 Crores in the previous year. The profit before exceptional item and the tax stood at Rs.119 Crores as compared to Rs.125 Crores during the last year mainly due to increase in finance cost to Rs.118 Crores as against Rs.105 Crores during the previous year as a result of the working capital borrowings. The profit after exceptional item and tax stood at Rs.85 Crores as against Rs.56 Crores during the previous year thereby registering growth of 52%. The total comprehensive income for the year stood at Rs.85 Crores as compared to Rs.56 Crores during the previous year.

On the consolidated basis, the revenue from the operations for the year ended March 31, 2017 was Rs.3,376 Crores as compared to Rs.2,729 Crores during the previous year registering a growth of 24%. Operating profit for the year was marginally higher to Rs.273 Crores as compared to Rs.262 Crores in the previous year. The consolidated profit before exceptional item and tax stood at Rs.104 Crores and after tax was Rs.70 Crores as compared to Rs.111 Crores and Rs.42 Crores respectively during the previous year. The total comprehensive income for the year stood at Rs.70 Crores as compared to Rs.42 Crores during the previous year. The decline in profitability was on account of difficult market conditions which prevailed in France and Spain where subsidiaries observed lower sales volume.

Last five years performance in terms of EBITDA & Revenue



	2012-13	2013-14	2014-15	2015-16	2016-17
EBITDA	145.88	189.58	225.26	263.77	273.84



	2012-13	2013-14	2014-15	2015-16	2016-17
REVENUE	1175.3	1451.72	1834.96	2387.63	3022.43

Note: Figures of FY 2015-16 and 2016-17 have been regrouped and calculated as per the Accounting Standards.

INTERNATIONAL OPERATIONS AND ITS FINANCIAL HIGHLIGHTS

Your Company has 5 Direct Wholly Owned Subsidiaries(WOS) viz; Lloyd Coils Europe s.r.o., Janka Engineering s.r.o., Noske Kaeser Rail & Vehicle Germany GmbH, Noske Kaeser US Rail & Vehicle LLC, Noske Kaeser Rail & Vehicles New Zealand Ltd. and 2 Indirect WOS through Noske Kaeser Rail & Vehicles New Zealand Ltd. viz; Noske-Kaeser Rail & Vehicle Australia Pty Ltd. and Noske-Kaeser Empreendimentos e Participaçôes do Brasil Ltda. as of the end of the financial year:

Lloyd Coils Europe s.r.o.('LCE'): The total sales of LCE was dropped by 10% to Euro 31.1 Million as compared to Euro 34.5 Million in previous year due to the difficult market condition in France and Spain where the subsidiary observed lower quantities by the customers across the segments. Despite the negative market trends it achieved excellent growth of nearly 30% in the segment of Data Centres Cooling. Total sales in this new segment after two years of activity were at Euro 3.5 Million and it is expected to reach Euro 4.5 Million next year. About 6% growth has been reported from Poland, which is in line with the general market development in this region. Due to 10% drop of total sales volume, LCE has not been able to significantly increase profit in this year. However, several actions have been successfully implemented on both cost and sales side, which led to solid improvements of achieved margins. The negative volume effect has however erased this impact on the EBITDA line, which hence stayed at similar level as last year. The objective for coming year is therefore, a turnaround of the declining volume trend of recent years by introducing new customers and extending product range for existing customers, to be able to compensate for the suffered losses in Russia and difficult economic situation in France and other EU countries.

Janka Engineering s.r.o.('Janka'): Lower sales volume was also the important factor for Janka this year. The turnover of Janka declined by about 6% from the last year and reached Euro 11.3 Million. However, the Janka has undertaken revitalization project mainly focusing on product design, procurement and personnel. Despite of sluggish performance, Janka has secured large project to supply AHUs for prestige Jaguar car production plant in Slovakia. In the rail segment, Janka has been supplying AC units for Prague trams, which will also continue during next financial year. Besides, Janka has completed two projects with newly acquired Noske Kaeser Rail & Vehicle for West-European customers. It has also secured first project from Pesa, a leading Central European rolling stock manufacturer, to deliver AC units to trams for city Bydgoszcz in Poland during FY 2017-18.

Noske Kaeser Rail & Vehicle Germany GmbH(NK Germany): For NK Germany it was the first twelve months' financial year under LEEL's ownership. Total sales reached Euro 4.8 Million with roughly 80% of sales for new-mount HVAC systems and 20% for spare parts and service, however, the EBITDA was at breakeven. Main projects supplied during the year were Bogestra saloon and driver's cab HVAC system for Stadler Pankow; Stuttgart saloon and driver's cab HVAC system for Stadler Pankow; Basel/Geneva saloon HVAC systems and transmission re-cooling units for Stadler Altenrhein; Aarhus transmission re-cooling units for Stadler Altenrhein and Monorail Bologna driver´s cab HVAC systems for Intamin Liechtenstein, the last two of them being manufactured by Janka Engineering in Prague.

The Commercial HVAC and Refrigeration industry is, due to their close link to construction segment, very much dependent on economic environment in each country e.g. there is good market development in Germany and Central Europe while South-West EU countries and Russia are suffering a decline. Except, Data Centre Cooling segment, it has seen slight slowdown in heat pump business and substantial decline in milk tank segment due to extremely low commodity prices in this industry. Industrial cooling segment remains mostly flat as return of growth being blocked by continuing low level of energy prices.

Noske Kaeser Rail & Vehicles New Zealand Ltd. (including its subsidiaries in Australia and Brazil) ('NK NZ'): During the period under review, NK NZ alongwith its subsidiaries reported total revenue of NZD 6.7 Million, profit before tax stood at NZD 0.09 Million, profit after tax stood at NZD 0.06 Million and total comprehensive income stood at NZD 0.07 Million. The previous year's financials of the NK NZ are not comparable with the current year's financials as the financial year of NK NZ has been changed from September to March in the FY 2016 after being acquired by the Company (LEEL) so to align with the Company's financial year.

NK NZ continued to deliver HVAC units to the Vlocity DMUs in Melbourne, with follow on orders received during the year. In addition to this, it has also secured a follow-on order for Perth B-Series EMU HVAC units which will be delivered by next financial year.

NK NZ was instrumental in securing the GE India locomotive HVAC contract for LEEL Electricals Ltd. and worked with the Company's Bhiwadi plant during the design and prototype phases of the project.

The service operation in Australia continues to deliver several successful HVAC unit overhaul programs and provides on-going maintenance support to a number of key customers in Perth and Melbourne. A key success was securing the Alstom C1-class tram maintenance and repair work with Yarra Trams. The market conditions of brazil remained subdued during the period under the review.

EXPORTS

The Company supplies air conditioners as OEM to major brands in Middle East, Nepal & Sri Lanka. For the heat exchangers, the Company is focusing on US and European market by providing value added products across all the categories. Being IRIS (International Railway Industry Standard) certified, the Company is also exploring opportunity with the international rolling stock manufacturer for the HVAC system.

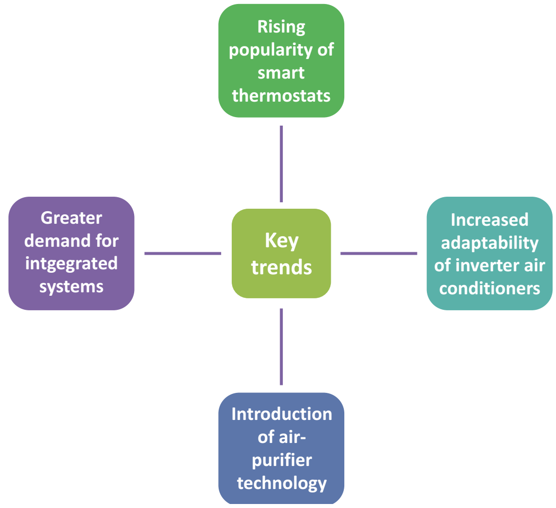
OPPORTUNITIES, THREATS, CONCERNS AND RISKS.

Opportunities

According to "India HVAC Market Forecast & Opportunities, 2019", the HVAC market in India is forecast to reach USD 3.97 billion by 2019 on account of changing lifestyle, increasing per capita income, and rising expenditure by consumers on comfort solutions. The Indian HVAC market is also expected to witness growth on account of rising investments by corporates in India and rapid infrastructure development in the Country. However, with the rising demand for energy efficient products in the country, the HVAC market is expected to undergo significant brand shift over the coming years.

The growing population combined with government initiatives to promote the "Make in India" concept has heightened manufacturing activities and infrastructure development in the country. To encourage investment, the government of India is taking pro-active steps to improve ease of doing business such as minimizing clearances, simplify compliance, online approvals, lesser documentation, more investor friendly initiatives etc.

The air conditioner market poised for a 9% annual growth over the next couple of years and it is witnessing a steady shift in demand for integrated systems. With advancements in air conditioning technology and rising demand in both developed and developing regions, the air conditioning systems market is expected to experience high growth in the coming decade. With the rising disposable income of consumers, the need for replacement of obsolete systems, increasing awareness of energy-efficient and eco-friendly products, and demand for intelligent air conditioning systems are some of the factors providing impetus to demand. The four key technological trends that are expected to dominate the air conditioning market over the next four years are:



Threats & Concerns

a) Competitive rivalry and price sensitive consumers have forced market players to keep the price low and expending more on advertisement lowering industry margins.

b) Threats of new entrants and continuous innovation and technology advancement leads to intense rivalry amongst the producers. Furthermore, major raw materials such as metals are exhibiting increasing trend over the past few years posing margin pressures.

c) As around 70 percent of India's population still lives in rural areas, availability of products to rural villages located in remote areas are difficult due to inadequate infrastructure and distribution channels and poor road connectivity.

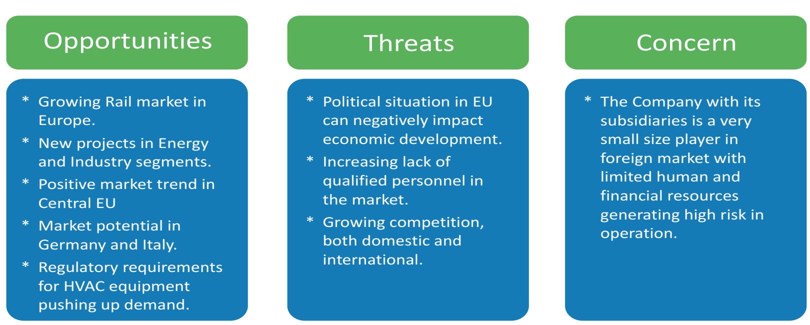
d) India is still power deficit country and has been witnessing peak hour power deficit thereby,less demand of products as power supply is imperative for any consumer electronics products.

e) Air conditioner is a seasonal product therefore delayed/ short duration summer affects the overall business performance.

f) Indian economy growth is under threat due to fast pace inflation. Input costs of raw material especially of Aluminum, Copper and Sheet Metal has gone up and has led to reduction of margins.

INTERNATIONAL OUTLOOK ON OPPORTUNITIES, THREATS & CONCERN

The World Rail Market Study of 2016 depicts Western Europe and Asia Pacific as the largest rail supply markets accounting together for 58% of the total world market in future. With a growth of 2.6%, the Asian Pacific Region remain the largest total market for rail supply through to 2021 when Western Europe (the second largest market for rail supply) is expected to grow at 3.1% between 2019 and 2021. LEEL Group with its design & development and industrial sites established in Germany (Noske Kaeser Rail & Vehicle Germany GmbH), in the Czech Republic (Janka Engineering), in India (LEEL Electricals Limited) and in New Zealand (Noske Kaeser Rail & Vehicles New Zealand Ltd.) shall take advantage from the rail market in the respective areas. The significant increase in annual market demand is a sign of the rail sector's robustness.



RISK

Risks which could impact the Company relate to exchange rates, interest rates, credit risks and volatile commodity prices risks as well as operating risks, arising out of high input costs, especially in the case of fixed price contracts and changes in technology which impact the Company's product offerings. In addition, a general slow- down in the global and local economy tends to aggravate risks faced by the Company. All such risks are periodically identified and assessed in terms of the Company's risk management framework and appropriate action is undertaken to minimize and mitigate the impact. Risks and the effectiveness of the risk management process are also periodically reviewed by the senior management and the Board. For detailed Financial Risk Management Objectives and Policies please refer notes to accounts of Financial Statements.

INTERNAL CONTROL SYSTEM AND ITS ADEQUACY

The Company has effective and adequate internal audit and control systems, commensurate with the business size to safeguard assets and protect against loss from any un-authorized use or disposition. Regular internal audit visits to the operations are undertaken to ensure that high standards of internal controls are maintained at each level of the organization. The Company's internal controls are supplemented by an extensive programme of internal audits, review by management and documented policies, guidelines and procedures.

ENVIRONMENT, HEALTH & SAFETY

The Company is committed to promoting a safe and healthful environment for its employees and community. Through education, auditing and monitoring, technical consultation, and the provision of direct services, the Company mitigates the organizational risks and meeting its responsibilities for health, safety and environmental requirements. To improve the consistency of the organization's approach towards environment safety controls, the Company implemented ISO 9001 and OHSAS 18001 and introduced a series of global standards, principles and practices that each operation should adopt. ISO 9001 focuses on managing organization's impact on the external environment, to reduce pollution and comply with regulations and OHSAS 18001 focuses on managing your organization's internal environment to ensure a safe and healthy workplace.

Audits were conducted against these standards and improvements are ongoing. Improving safety performance continues to be a priority for the Company. Improvements have been made in the methods of internal communication, knowledge sharing and reporting on safety matters. The HR team conducts EHS programs to educate employees about safety programs, make them aware of the Company's health and safety policy and conduct formal safety trainings for all workers to prevent accidents, report unsafe conditions and protect the environment.

HUMAN RESOURCE

The Company strongly believes that Human Resource is the most important assets of an organization. In line with this belief:

Our philosophy and Goals:

- To create a friendly, dynamic work environment under a team concept while maintaining professionalism.
- To recruit and retain best people, develop their skills, cultivate new leaders & capitalise on their collective intelligence by applying human insights to transform the organization.
- Provide an enjoyable and rewarding environment for all individuals to learn, grow and develop to their fullest potential.
- To develop all professionals to their fullest potential through the following:
    - i. Progressive Experience and Responsibilities Based on Ability
    - ii. Performance Review Process
- Encourage our staff to be involved in and contribute to the community and to professional activities and organizations.
- Provide a competitive environment, products and services to attract and retain a diverse, high calibre staff.
- Support leadership efforts with a strategic workforce plan that creates a climate of innovation and excellence
- Create strategic processes that support organisational goals with innovation

The Company has put in place several initiatives that focus on leadership and talent development across grades. The Company has successfully implemented the "Business Excellence Program" through skill improvement initiatives 'Kaizens- Improvements' in the organization and has achieved positive results at almost all the levels of the organization.

We have built a robust leadership bench not only at the senior management level but also for all critical positions up to the middle management level and frontline roles in sales, service & operations. The Company continues to strive at providing employees with a rewarding, productive and successful association. The Company's HR strategies are aimed at finding a balance between employees' goals and aspirations with those of the Company. With a view to equip the Company to address the business challenges of a dynamic economic environment, the HR function focused on retaining and attracting suitable talent, enhancing the technical / behavioral skills of employees and optimizing employee costs.

The Company does not engage in any form of child labour/forced labour/involuntary labour and does not adopt any discriminatory employment practices. The Company has implemented OHSAS 18001 which focuses on managing organization's internal environment to ensure a safe and healthy workplace. The Company has a policy against sexual harassment and a formal process for dealing with complaints of harassment or discrimination. The said policy is in line with Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 and Rules made thereunder. The Company, through the policy ensures that all such complaints are resolved within defined timelines. During the year, no case was reported.

The total permanent staff strength of the Company as on March 31, 2017 was 1,654.

Disclosures with respect to the remuneration of Directors and employees as required under Section 197 of the Act and Rule 5 (1) Companies(Appointment and Remuneration of Managerial Personnel) Rules, 2014 (Rules) have been appended as Annexure to the Board's report. Details of employee remuneration as required under provisions of Section 197 of the Companies Act, 2013 and Rule 5(2) and 5(3) of the Rules are available at the Corporate Office of the Company during working hours, 21 days before the Annual General Meeting and shall be made available to any shareholder on request.

CAUTIONARY STATEMENT

"Statements in the "Management Discussion and Analysis" describing the Company's objectives, projections, estimates and expectations or predictions may be 'forward looking statement' within the meaning of applicable securities laws and regulations. Actual results could differ substantially and materially from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions effecting demand/supply and price conditions in the domestic and price conditions in the domestic and overseas markets in which the company operates, changes in the government regulations, tax laws and other statutes and other incidental factors."