

Kennametal India Limited
49th Annual Report
FY14



NOTICE TO MEMBERS

NOTICE is hereby given that the Forty-ninth Annual General Meeting of Kennametal India Limited will be held on Tuesday, November 04, 2014 at 12.00 Noon at the Registered Office of the Company at 8/9th Mile, Tumkur Road, Bangalore – 560 073, to transact with or without modifications, as may be permissible, the following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet as at June 30, 2014, the audited Profit and Loss for the year ended on that date and the reports of the Directors and the Auditors thereon.
2. To appoint auditors and fix their remuneration. In this connection, to consider and if thought fit, to pass the following resolution, as an Ordinary Resolution:

“RESOLVED THAT in accordance with applicable provisions of the Companies Act, 2013, and the Rules made thereunder (including any statutory modifications or re-enactment thereof), the retiring Auditors Messrs Price Waterhouse & Co., Bangalore, Chartered Accountants, (Firm Regn.No.007567S) being eligible for re-appointment, be and are hereby appointed as Statutory Auditors of the Company to hold such office from this 49th Annual General Meeting until the conclusion of the 52nd Annual General Meeting, subject to ratification of their appointment at every Annual General Meeting by the members, and that the Board of Directors be and are hereby authorized to fix such remuneration as may be recommended by the Audit Committee in consultation with the Auditors.”

SPECIAL BUSINESS:

3. To consider and if thought fit, to pass, with or without modification(s), the following resolution, as an Ordinary Resolution:

“RESOLVED THAT Mr. Gerald Goubau (DIN: 06566705) who was appointed as a Director of the Company with effect from April 30, 2013 in place of the casual vacancy caused by the resignation of Mr. Bernard North, who retires at this Annual General Meeting, and in respect of whom the Company has received a notice in writing from a member pursuant to Section 160 of the Companies Act, 2013, proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation.”

4. To consider and if thought fit, to pass, with or without modification(s), the following resolution, as an Ordinary Resolution:

“RESOLVED THAT pursuant to Articles of Association of the Company and in conformity with the provisions of Section 161 of the Companies Act, 2013, Ms. Michelle Ruth Keating (DIN: 06721693), who was appointed as Additional Director of the Company by the Board of Directors, and who holds the office under the said Article and Section 161 of the Companies Act, 2013, only up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing, from a member proposing her candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation.”

5. To consider and if thought fit, to pass, with or without modification(s), the following resolution, as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable and related provisions of the Companies Act, 2013, read with Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or reenactment thereof for the time being in force), Schedule IV to the Companies Act, 2013 and Clause 49 of the Listing Agreement, Mr. Bidadi Anjani Kumar (DIN: 00022417), Director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office for a term of five(05) consecutive years upto November 03, 2019.”

6. To consider and if thought fit, to pass, with or without modification(s), the following resolution, as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable and related provisions of the Companies Act, 2013, read with Companies (Appointment and Qualification of Directors) Rules, 2014 (including

any statutory modification(s) or re-enactment thereof for the time being in force), Schedule IV to the Companies Act, 2013 and Clause 49 of the Listing Agreement, Mr. Vinayak K. Deshpande (DIN: 00036827), Director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office for a term of five(05) consecutive years upto November 03, 2019.”

7. To consider and, if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of revised Clause 49 (VII) of the Listing Agreement, consent of the members be and is hereby accorded in respect of the following material related party transaction(s) by the Company with Kennametal Inc., USA on arm’s length basis:

Sl. No.	Nature of Transactions	Transaction value for financial year July 1, 2013 to June 30, 2014 i.e. FY14 amount ₹ in Lakhs	Estimated Value of Transactions per Annum effective financial year commencing July 1, 2014 i.e. FY15 onwards not exceeding amount ₹ in Lakhs
1.	Purchase of Components/raw materials (payment)	4705	5900
2.	IT Cross charges (payment)	1319	1500
3.	Royalty (payment)	195	240
4.	Cross charge expenses (payable)	13	20
5.	Sales of products/components (receipts)	1225	1530
6.	Cross charge expenses (receivable)	27	35

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to do all such acts, matters, deeds and things as may be necessary to give effect to the above resolution.”

8. To consider and, if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of revised Clause 49 (VII) of the Listing Agreement, consent of the members be and is hereby accorded in respect of the following material related party transaction(s) by the Company with Kennametal Europe GmbH on arm’s length basis:

Sl. No.	Nature of Transactions	Transaction value for financial year July 1, 2013 to June 30, 2014 i.e. FY14 amount ₹ in Lakhs	Estimated Value of Transactions per Annum effective financial year commencing July 1, 2014 i.e. FY15 onwards not exceeding amount ₹ in Lakhs
1	Purchase of Components/raw materials (payments)	12203	15250
2	Sales (receipt)	1628	2050
3	Cross charge expenses (receivable)	27	35

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to do all such acts, matters, deeds and things as may be necessary to give effect to the above resolution.”

9. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED to note that Mr.M. N. Bhagwat (DIN No. 00036692) who retires from office by rotation, but has expressed his unwillingness to be re-appointed as a Director, and accordingly the resultant vacancy on the Board be not filled up at this meeting.”

By Order of the Board of Directors
For Kennametal India Limited

Kundan K. Lal
General Manager-Legal &
Company Secretary

Bangalore
September 26, 2014

NOTES

1. The Register of Members and the Share Transfer Books of the Company will remain closed from October 27, 2014 to November 04, 2014 (both days inclusive) for the purpose of the Annual General Meeting (AGM).

2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/ HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.

A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights.

THE PROXY FORM SHOULD BE LODGED WITH THE COMPANY AT LEAST 48 HOURS BEFORE THE SCHEDULED COMMENCEMENT OF THE MEETING.

3. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of details relating to Special Businesses are annexed hereto.
4. Members may please bring the Attendance Slip duly filled in and hand over the same at the entrance of the Meeting Hall.
5. Members, who hold shares in dematerialized form, are requested to quote Depository Account Number/ Client ID for recording of attendance at the meeting.
6. Consequent upon the amendment to Section 205A of the Companies Act, 1956 and introduction of Section 125C by the Companies (Amendment) Act, 1999, the amount of dividends remaining unclaimed for a period of seven years are to be transferred to the Investor Education and Protection Fund. Accordingly, the dividend declared for all the financial years ended upto June 30, 2006 has been transferred to Investor Education and Protection Fund. The amount so transferred cannot be claimed either from the Company or from the Fund.

Members who have not encashed the dividend warrants/ demand drafts for the financial year ended June 30, 2010 onwards are requested to write to the Company giving the necessary details.

7. Pursuant to Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amount lying with companies) Rules, 2012, the Company shall provide/host the required details of unclaimed amounts referred to under Section 205C(2) of the Companies Act, 1956 on its website page www.kennametal.com/kennametal/hi/about-us/kil-financials.htm and also Ministry of Corporate Affairs (MCA) website in the relevant form every year.
8. Electronic copy of the Notice of the 49th Annual General Meeting of the Company *inter alia* indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/RTA/Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email IDs, physical copies of the Notice of the 49th Annual General Meeting of the Company *inter alia* indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.
9. Members may also note that the Notice of the 49th Annual General Meeting and the Annual Report for 2013-14 will also be available on the Company's website page www.kennametal.com/kennametal/hi/about-us/kil-financials.htm for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office in Bangalore for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon a request for the same, by post/courier free of cost. For any communication, the Members may also send requests to the Company's investor email id: in.investorrelation@kennametal.com
10. The Securities and Exchange Board of India (SEBI) vide Circular dated April 27, 2007, had made PAN mandatory for all securities market transaction. Thereafter, vide Circular dated May 20, 2009 it was clarified that, for securities market transactions and off market/ private transaction involving transfer of shares in physical form of listed companies, it shall be mandatory for the transferee (s) to furnish copy of PAN card to the Company/Registrar & Share Transfer Agents for registration of such transfer of

shares. The shareholders are requested to furnish a copy of the PAN card in cases involving transfer of shares in physical form.

11. Members may address all matters relating to shares, demat, remat, annual report, etc. to the Company's Registrar & Share Transfer Agent at the following address:

Integrated Enterprises (India) Limited
No.30, 'Ramana Residency',
4th Cross, Sampige Road, Malleswaram,
Bangalore 560003
Phone: +91 (80) 2346 0815 – 818,
Fax: +91 (80) 2346 0819,
e-mail: irg@integratedindia.in

For dividend queries and other general matters:

The Company Secretary
Kennametal India Limited
8/9th Mile, Tumkur Road, Bangalore - 560 073.
Phone: +91 (80) 28394321 / +91 (80) 22198345,
Fax: +91 (80) 28397572
e-mail: kundan.lal@kennametal.com
e-mail: in.investorrelation@kennametal.com

for the purpose of addressing investor complaints and also to take necessary follow-up action.

Members are requested to quote their Registered Folio Number or Demat Account Number (Client ID) & Depository Participant (DP) ID Number in all correspondence.

12. Voting through electronic mode:

Pursuant to the provisions of Section 108 of the Companies Act, 2013 and Rule 20 & Rule 21 of Companies (Management and Administration) Rules, 2014, the Company is pleased to provide its members the electronic facility to exercise their right to vote at the Annual General Meeting (AGM). The business at the AGM may be transacted through e-voting services provided by Central Depository Services Limited (CDSL). It is hereby clarified that it is not mandatory for a member to vote using the e-voting facility, and a member may avail of the facility at his/her/it's discretion, subject to compliance with the instructions prescribed below:

The procedure/ instructions for e-voting are as under:

A. In case of members receiving e-mail :

- Log on to the e-voting website www.evotingindia.com
- Click on "Shareholders" tab.
- 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.
- Enter the Image Verification as displayed and Click on Login.
- If you are holding shares in demat form and had voted on an earlier voting of any company by logging on to www.evotingindia.com, then your existing password is to be used.
- If you are a first time user, follow the steps given below:

	For Members 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). Members who have not updated their PAN with the Company / Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account / folio number in the PAN field. In case the folio number is less than 8 digits, enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.
DOB#	Enter the Date of Birth (DOB) in dd / mm / yyyy format as recorded in your demat account or in the Company records for the said demat account or folio.

Dividend Bank Details#	<p>Enter the Dividend Bank Details as recorded in your demat account or in the Company records for the said demat account or folio.</p> <p># Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the number of shares held by you as on the cut off date in the Dividend Bank details field.</p>
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- g. After entering all details appropriately, click on "SUBMIT".
- h. Members holding shares in physical form will be directed to 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 such 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.
- i. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- j. Click on the EVSN of KENNAMETAL INDIA LIMITED on which you choose to vote.
- k. 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.
- l. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- m. After selecting the Resolution, if 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.

- n. Once you "CONFIRM" your vote on the Resolution, you will not be allowed to modify your vote.
 - o. You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
 - p. If Demat account holder has forgotten the changed password then "Enter the User ID" and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- B. In case of Institutional shareholders:**
- a. Institutional Shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.
 - b. They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
 - c. After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
 - d. The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the account they would be able to cast their vote.
 - e. Institutional shareholders should upload a scanned copy of the Board Resolution and Power of Attorney (POA), which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.
- C. In case of members receiving the physical copy:**
- a. Please follow all steps from sl. no. A.a. to A.q. above to cast vote.
- D. The voting period begins on October 29, 2014 (09.00 AM) and ends on October 31, 2014 (06.00 PM.). During this period, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) i.e. September 30, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.**
- E. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.co.in under help**

section or write an email to helpdesk.evoting@cdslindia.com.

F. General :

- a. In case of any queries regarding e-voting you may refer to the 'user manual for shareholders to cast their votes' available at www.evotingindia.com under 'HELP'.
- b. If you are already registered with CDSL for e-voting then you can use your existing user ID and password for casting your vote.
- c. The voting rights of the shareholders shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut-off date i.e. September 30, 2014.
- d. Mr. Vijayakrishna K. T., Practicing Company Secretary, has been appointed as Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- e. The scrutinizer shall within a period of not exceeding three working days from the conclusion of the e-voting period unblock the votes in the presence of at least two witnesses not in employment of the Company and make a scrutinizer's report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company or the officials authorized by him.

The results of the e-voting along with the scrutinizer's report shall be placed on the Company's website page www.kennametal.com/kennametal/hi/about-us/kil-financials.htm, and on the website of CDSL within two days of passing of the resolution at the AGM of the Company. The results will also be communicated to the stock exchanges where the shares of the Company are listed.
- q. Corporate members intending to send their authorized representative(s) to attend the Meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
- r. In case of joint shareholders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
- s. The Members, who have voted electronically, are not eligible to vote by ballot paper.

13. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, will be available for inspection by the members at the AGM.
14. The brief resume of directors seeking appointment/ re-appointments as required under Clause 49 of the listing agreement is set out at **"Annexure A"** to this notice.
15. Bodies corporate intending to send their authorised representatives to attend the meeting are requested to send a duly certified copy of the Board Resolution or Power of Attorney authorising their representative to attend and vote on their behalf at the AGM.
16. Members / Proxy holders are requested to produce at the entrance of the venue the enclosed attendance slip duly signed.
17. Members are requested to bring their copies of the annual report to the AGM.
18. Every person holding equity shares of the Company and whose name is entered:
 - As a beneficial owner as at the end of business hours on October 26, 2014 as per the list to be furnished by NSDL/CDSL in respect of shares held in dematerialised form
 - As members in the register of members of the Company after giving effect to valid share transfers lodged with the Company, on or before October 26, 2014 shall only be entitled to attend the AGM in person or through his/ her proxy.
19. The identity / signature of the members holding shares in demat form are liable for verification with the specimen signatures furnished by NSDL/CDSL. Such members are advised to bring the Depository Participant (DP ID), account number (Client ID) and the relevant identity card to the AGM for easier identification and recording of attendance at the AGM.
20. In terms of the Circular No. CIR/MRD/DP/10/2013 dated 21 March 2013 issued by the Securities and Exchange Board of India, listed companies are required to use the Reserve Bank of India's approved electronic mode of payment such as Electronic Clearance Service (ECS), LECS (Local ECS)/RECS (Regional ECS)/NECS (National ECS), NEFT, etc. for making cash payments like dividend etc. to the members. Accordingly, members holding securities in demat mode are requested to update

their bank details with their depository participants. Members holding securities in physical form may send a request updating their bank details, to the Company Secretary at 8/9th Mile Tumkur Road, Bangalore-560073.

21. Pursuant to Section 72 of the Companies Act, 2013, members are entitled to make a nomination in respect of shares held by them. Members desirous of making a nomination are requested to send their requests in Form No. SH.13, pursuant to the Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014 (which will be made available on request) to the Registrar and Share Transfer Agent of the Company.
22. Members requiring information or clarification with regard to the audited accounts and operations of the Company are requested to write to the General Manager- Legal & Company Secretary at the Registered Office of the Company at least five days before the date of the meeting to enable the Company to keep the information ready.

EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 3

The Company appointed Mr. Gerald Goubau (DIN: 06566705) as Director with effect from April 30, 2013 in place of the casual vacancy caused by the resignation of Mr. Bernard North and who retires at this Annual General Meeting.

The brief resume in relation to his experience, functional expertise and memberships on other companies' Boards and committees as required under Clause 49 of the listing agreement is set out in **Annexure 'A'** to this Notice. The Board considers that his association as Director will be beneficial to and in the interest of the Company.

The Company has received a notice from a member of the Company along with requisite fee under Section 160 of the Companies Act, 2013 proposing the candidature of Mr. Gerald Goubau for the office of Director of the Company.

Except Mr. Gerald Goubau, no other Directors, Key Managerial Personnel or their relatives, are interested or concerned in the resolution.

The Board recommends the resolution set forth in item no. 3 for approval of the members.

Item No.4

Ms. Michelle Ruth Keating (DIN: 06721693) was appointed as Additional Director by the Board effective November 05, 2013 in accordance with the provisions contained in Articles of Association of the Company and Section 161 and other applicable provisions, if any, of the Companies Act, 2013.

According to the provisions of the said Article and the relevant provisions of the Companies Act, 2013, Ms. Keating holds office upto the date of this Annual General Meeting.

The Company has received a notice from a member of the Company along with requisite fee under Section 160 of the Companies Act, 2013 proposing the candidature of Ms. Keating for the office of Director of the Company.

The brief resume in relation to her experience, functional expertise and memberships on other companies' Boards and committees as required under Clause 49 of the listing agreement is set out in **Annexure 'A'** to this Notice. The Board considers that her association as Director will be beneficial to and in the interest of the Company.

The Directors commend the passing of the resolution relating to her appointment for the approval of the members as set out at item No.4 in the accompanying Notice.

Except Ms. Michelle Ruth Keating, no other Directors, Key Managerial Personnel or their relatives, are interested or concerned in the resolution.

Item No.5

The Board based on the experience/expertise declared by Mr. Bidadi Anjani Kumar (DIN: 00022417), is of the opinion that Mr. Anjani Kumar has the requisite qualification to act as an Independent Director of the Company. In terms of Sections 149, 150, 152 and its related and applicable provisions of the Companies Act, 2013, read with the Rules made thereunder, Mr. Anjani Kumar is proposed to be appointed as an Independent Director of the Company for a term of five (5) consecutive years upto November 03, 2019. Mr. Anjani Kumar has given declaration under Section 149 (7) of the Companies Act, 2013 that he fulfills the conditions specified in Section 149 (6) of the Companies Act, 2013 read with Rules made thereunder for his appointment as an Independent Director of the Company.

The members are further requested to note that Mr. Anjani Kumar has given declaration that he is not disqualified to become a Director under the Companies Act, 2013 and his consent to hold office as Director.

The Board is of the view that, owing to his rich and varied experience, his association would be of immense benefit to the Company and it is desirable to avail services of Mr. Anjani Kumar as an Independent Director. Accordingly, the Board recommends the resolution for the appointment of Mr. Anjani Kumar as an Independent Director, for the approval by the shareholders of the Company.

The brief resume in relation to his experience, functional expertise and memberships on other companies' Boards and committees as required under Clause 49 of the listing agreement is set out in **Annexure 'A'** to this Notice. The Board considers that his association as Director will be beneficial to and in the interest of the Company.

In the opinion of the Board of Directors, Mr. Anjani Kumar fulfills the conditions prescribed under the Companies Act, 2013 and the Rules made thereunder and he is independent of the management.

The Company has received a notice from a member of the Company along with requisite fee under section 160 of the Companies Act, 2013 proposing the candidature of Mr. Bidadi Anjani Kumar for the office of Director of the Company

A copy of the draft letter of appointment of Mr. Anjani Kumar setting out the terms and conditions is available for inspection without any fee by the members at the registered office of the Company during normal business hours on working days upto the date of the AGM.

The Directors commend the passing of the resolution relating to his appointment for the approval of the members as set out at item No.5 in the accompanying Notice.

Except Mr. Bidadi Anjani Kumar, no other Directors, Key Managerial Personnel or their relatives, are interested or concerned in the resolution.

Item No.6

The Board, based on the experience/expertise declared by Mr. Vinayak .K. Deshpande (DIN: 00036827), is of the opinion that Mr. Deshpande has the requisite qualification to act as an Independent Director of the Company. In terms of Sections 149, 150, 152 and its related and applicable provisions of the Companies Act, 2013, read

with the Rules made thereunder, Mr. Deshpande is proposed to be appointed as an Independent Director of the Company for a term of five (5) consecutive years upto November 03, 2019. Mr. Deshpande has given declaration under Section 149 (7) of the Companies Act, 2013 that he fulfills the conditions specified in Section 149 (6) of the Companies Act, 2013 read with Rules made thereunder for his appointment as an Independent Director of the Company.

The members are further requested to note that Mr. Deshpande has given declaration that he is not disqualified to become a Director under the Companies Act, 2013 and his consent to hold office as Director.

The Board is of the view that, owing to Mr. Deshpande's rich and varied experience, his association would be of immense benefit to the Company and it is desirable to avail his services as an Independent Director. Accordingly, the Board recommends the resolution for the appointment of Mr. Deshpande as an Independent Director, for the approval by the shareholders of the Company.

The brief resume in relation to his experience, functional expertise and memberships on other companies' Boards and committees as required under Clause 49 of the listing agreement is set out in **Annexure 'A'** to this Notice. The Board considers that his association as Director will be beneficial to and in the interest of the Company.

In the opinion of the Board of Directors, Mr. Deshpande fulfills the conditions prescribed under the Companies Act, 2013 and the Rules made thereunder and he is independent of the management.

The Company has received a notice from a member of the Company along with requisite fee under Section 160 of the Companies Act, 2013 proposing the candidature of Mr. Vinayak K. Deshpande for the office of Director of the Company

A copy of the draft letter of appointment of Mr. Deshpande setting out the terms and conditions is available for inspection without any fee by the members at the registered office of the Company during normal business hours on working days upto the date of the AGM.

The Directors commend the passing of the resolution relating to his appointment for the approval of the members as set out at item No.6 in the accompanying Notice.