



***Kennametal India Limited***

CIN: L27109KA1964PLC001546

***50<sup>th</sup> Annual Report***

***FY15***



## Industrial



## Infrastructure



**WIDIA** 



 **WIDMA**

## KENNAMETAL INDIA LIMITED

(CIN : L27109KA1964PLC001546)

### Directors

Mr. Prakash M. Telang  
*Chairman*  
Mr. Bhagya Chandra Rao  
*Managing Director*  
Mr. B. Anjani Kumar  
Mr. Vinayak K. Deshpande  
Mr. John Henry Jacko Jr.  
Ms. Michelle R. Keating  
Mr. David Lee

### Key Managerial Personnel

Mr. Bhagya Chandra Rao  
*Managing Director & CEO*  
Mr. D. Parameswara Reddy  
*Vice President & CFO*  
Mr. Kundan Kumar Lal  
*General Manager - Legal & Company Secretary*

### India Leadership Council (ILC)

Mr. Bhagya Chandra Rao  
Mr. D. Parameswara Reddy  
Mr. K. Chandrashekhar Sharma  
Mr. Kumud Ranjan  
Mr. M.T. Swamy  
Mr. M.N. Bhaskara Rao  
Mr. Manu Kidave

### Registered Office and Factory

8/9<sup>th</sup> Mile, Tumkur Road  
Bengaluru - 560 073  
Karnataka, India  
Phone : + 91 (80) 28394321  
Fax : + 91 (80) 28397572  
website : [www.kennametal.com/kennametalindia](http://www.kennametal.com/kennametalindia)

### Auditors

Messrs. Price Waterhouse & Co Bangalore LLP  
Chartered Accountants  
5<sup>th</sup> Floor, Tower "D", The Millenia  
1 & 2 Murphy Road, Ulsoor,  
Bengaluru – 560008

### Bankers

Bank of America  
Corporation Bank Limited  
HDFC Bank Limited  
HSBC Limited  
ICICI Bank Limited  
State Bank of India

### Registrar & Share Transfer Agent

Integrated Enterprises (India) Limited  
30, 'Ramana Residency'  
4<sup>th</sup> Cross, Sampige Road  
Malleswaram, Bengaluru-560 003  
Phone : + 91 (80) 23460815-818  
Fax : + 91 (80) 23460819

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### 50<sup>th</sup> Annual General Meeting

Monday, November 09, 2015 at 12.30 P.M.  
at the Registered Office of the Company at  
8/9<sup>th</sup> Mile, Tumkur Road, Bengaluru - 560 073.

## CHAIRMAN'S MESSAGE

Dear Shareholder,

On behalf of the Board of Directors, it is my pleasure to present the 50th Annual Report of Kennametal India Limited.

It has marked another milestone to Kennametal India's history completing 50 years of dedicated service in the Engineering Industry. Your continued trust, encouragement and support is what gives us energy, enthusiasm, confidence and motivation to strive for betterment.

We observe that the world economy is going through an uncertain phase, but we still remain optimistic about the future. Europe is still trying to resolve its economic challenges and now, we are not getting good news from Asia Pacific as well. India needs a boost of confidence and investor-friendly moves from the Government to restore the country to a faster growth trajectory.

In a world grappling with sluggish growth, India is steadily accelerating the pace of economic development, thanks to the new Government's growth-oriented policies. In the April-March period of FY 2014-15, the IIP grew by 2.8%, compared to the contraction of 0.1% during the same period of FY 2013-14. Cumulatively, the IIP registered a growth of 3.5 % during April to July, 2015-16 over corresponding period of previous year. Positive sentiments attracted FDI inflows of US\$ 35 billion into the economy, a 26% escalation in FY 2014-15.

The recent forecasts for below normal monsoon coupled with the slow pick-up in industrial activity, and gloomy global market could lead to challenging demand conditions in the domestic market. However, over the long term, your Company is confident of the growth prospects of the engineering industry, both in the domestic and the international markets. With this confidence, your Company has planned to increase capacities of certain production lines in your Company to meet future demand of domestic and international markets.

The steady growth in our economic environment has reflected in the overall performance of your company which registered an annual turnover growth of 4.6% and profitability growth before extra-ordinary items and tax of 34% over previous year primarily driven by efficient sourcing of raw materials and cost management projects executed during the year. Your Company received the land compensation amount of ₹ 591 Lakhs including interest after Tax deducted at source from the City Civil Court towards the acquisition of the part of land in Sy No. 11 by the Karnataka Industrial Areas Development Board (KIADB) for Bangalore Metro Rail Project.

The Government's "Make in India" initiative augurs well for the economy in general and the manufacturing sector in particular. This initiative aims to increase the sector's contribution to the GDP by removing the bottlenecks that had so far restricted growth. There is more focus on indigenous manufacturing of components or products, which hitherto were imported. Such a scenario will help the domestic engineering, automotive and allied sectors to perform encouragingly, going forward.

Since last year, the Boards' Report contained in the Annual Report which is made available to you, continues to be far more comprehensive and gives an in depth and detailed analysis of your Company's financial and operational performance.

During the year, the Ministry of Corporate Affairs (MCA) and Securities Exchange Board of India (SEBI) changed the governance landscape by notifying majority of the provisions of the Companies Act, 2013 and Rules thereunder and the SEBI Listing regulations. Some of the concepts like approval of related party transactions, evaluation of the performance of Directors and the Board, rotation of auditors, Code for Independent Directors, increased responsibility of the Nomination and Remuneration Committee

and the Audit Committee in order to ensure higher standards of transparency and accountability and seek to align the corporate governance practices in India with global best practices. Your Company's corporate governance standards have strengthened over the period of years and your Company will continue to follow good practices to enhance stakeholders' value.

Your Company has focused on its Corporate Social Responsibility agenda and undertook various initiatives to touch and improve lives by contributing to communities that your Company operates in. Your company focuses its giving in order to achieve a greater impact on those causes most aligned with Kennametal's corporate strategy. Three primary categories have been established for giving which includes the support of Secondary and Post-Secondary Educational opportunities with an emphasis on studies in the areas of technical engineering, machine skill training and materials and environmental sciences, Kennametal in the Community and Protecting Our Planet. In FY15, Your Company focused in the areas of education, Health and Water Management to create measurable and lasting value for neighboring communities. Your Company has adopted a project "Nisarga Gram" which is being executed by Sparsha Trust for building a home for underprivileged children more specifically girls.

Our employees are our biggest assets. On behalf of the Board of Directors and on your behalf, I profusely thank the employees for their aspiration, focus on customers, hard work, commitment and teamwork. I also place, on record, our deep appreciation of the customers, vendors, partners shareholders and bankers for their continued support.

I thank the members of the Board, for their continued guidance in making our organization successful in every sphere. As I complete a year of my tenure as the non-executive Chairman of your Company, I am grateful for the opportunity to guide your Company on its growth path. I wish the entire Kennametal team great success in their pursuit of excellence and in their journey for the growth of the Company.

Thank you,

**Prakash M.Telang**

**Chairman**

## BOARD'S REPORT

Your Directors are pleased to present the 50<sup>th</sup> Annual Report and the Audited Financials for the year ended June 30, 2015 (FY15).

### FINANCIAL RESULTS

(₹ in Lakhs)

Particulars	FY15 Year ended June 30, 2015	FY14 Year ended June 30, 2014
Total Revenue	57579	55071
<b>Profit before Tax</b>	<b>3994</b>	<b>2978</b>
Add/Less: Exceptional items Income/(Expense)	647	(1020)
<b>Profit After Exceptional Items and Before Tax</b>	<b>4641</b>	<b>1958</b>
Less: Provision for Tax		
Current Tax	1581	1010
Tax provision relating to earlier years	-	(277)
Deferred Tax (credit)/charge	(292)	(482)
<b>Profit after Tax</b>	<b>3352</b>	<b>1707</b>
Add: Balance brought forward from previous year	16249	14542
<b>Total available for appropriation</b>	<b>19601</b>	<b>16249</b>
Interim Dividend	(440)	
Dividend Distribution Tax	(89)	---
Balance transferred to Balance Sheet	19072	16249

### DIVIDEND

An interim dividend of ₹ 2/- per equity share of ₹ 10/- each (20% on the paid up capital of the Company) was declared by the Board for the financial year ended June 30, 2015 and June 23, 2015 was fixed as Record Date for the said purpose. The said interim dividend was paid on June 26, 2015. The Board of Directors has decided to treat the same as final dividend and therefore, no additional dividend is recommended for the year ended June 30, 2015.

### OPERATING RESULTS

Your Company continued to improve its operating results during FY15 with Sales and Other Income increasing by 4.6 % to ₹ 57579 Lakhs compared with ₹ 55071 Lakhs in the previous year. Profit before Tax before Exceptional items was ₹ 3994 Lakhs as compared to ₹ 2978 Lakhs in the previous year. The growth in Sales and Profit for the year was driven by improved demand for the products and various cost containment initiatives undertaken by the Company during the year under review.

Your Company does not have any subsidiaries.

### MATERIAL CHANGES AND COMMITMENTS

There was a significant material change which occurred affecting the financial position of your Company between June 30, 2015 and the date of approval of this report, which is explained below:

The Company's part of land (3435.26 Sq. Mtrs. in Sy No. 11 Nagasandra) was acquired by Karnataka Industrial Areas Development Board (KIADB) for Bangalore Metro Rail project in the year 2010 and the claim of the Company was disputed by other third parties. On August 19, 2015 your Company received the land compensation amount after tax deduction at source (₹ 55.52 Lakhs) along with interest total amounting ₹ 5,91,80,773/- on August 19, 2015 vide cheque from the City Civil Court, Bengaluru. The total of the above is ₹ 647 Lakhs which is shown as an exceptional item in the Financial Results.

### MANAGEMENT DISCUSSION AND ANALYSIS

A Management Discussion and Analysis (MD&A) report is annexed to this report as "Annexure I" as required under Clause 49 of the Listing Agreement with BSE Limited.

## DIRECTORS

Mr. M. N. Bhagwat (DIN No. 00036692), Non-Executive Independent Director of the Company and Chairman of the Board since September 27, 2002 had expressed his unwillingness to be re-appointed as a Director at the 49<sup>th</sup> Annual General Meeting of the Company. The Board of Directors and the employees accorded a farewell to Mr. Bhagwat. The Board and the management appreciated Mr. Bhagwat's guidance and advice to the Company for over 12 years. Over the years, the Company had progressed a lot under his guidance. His dedication and devotion to the Company has been an inspiration for all the employees.

During the year, the Board of Directors appointed Mr. Prakash M. Telang, Non-Executive Independent Director as an Additional Director with effect from November 04, 2014, to hold office up to the date of ensuing Annual General Meeting. Mr. Telang was appointed as the Chairman of the Board on November 04, 2014. Being eligible, Mr. Telang offered himself to be appointed as an Independent Director of your Company. A notice has been received from a member along with the prescribed deposit of ₹ 1 Lakh proposing his appointment as a Non-Executive Independent Director at the ensuing Annual General Meeting of the Company.

As per the provisions of the Companies Act, 2013, Independent Directors are required to be appointed for a term of five consecutive years, but shall be eligible for reappointment on passing of a special resolution by the Company and shall not be liable to retire by rotation. The Independent Directors of your Company have given the Certificate of Independence stating that they meet the criteria of Independence as mentioned under Section 149 (6) of the Companies Act, 2013.

The details of training and familiarization programmes and Annual Board Evaluation process for Directors have been provided under the Corporate Governance Report.

The policy on Director's appointment and remuneration including criteria for determining qualifications, positive attributes, Independence of Director, and also remuneration for Key Managerial Personnel and other employees forms part of the Corporate Governance Report of this Annual Report.

Mr. John H. Jacko Jr. (DIN:06945511) was appointed on August 12, 2014 as a Non-Executive Director due to a casual vacancy caused by the resignation of Mr. John Chang on the same day. He is eligible for appointment as Director liable to retire by rotation in the ensuing Annual General Meeting. Your Directors recommend the same for your approval. A notice has been received from a member along with the prescribed deposit of ₹ 1 Lakh proposing his appointment as a Director at the ensuing Annual General Meeting of the Company.

Mr. Gerald Goubau (DIN:06566705) resigned as Director with effect from May 05, 2015. Your Directors place on record their appreciation of the valuable contributions made by him to the Company during his tenure as Director.

The Board at its meeting held on May 05, 2015 approved the appointment of Mr. David Lee (DIN:07175442) filling the casual vacancy caused by Mr. Gerald Goubau's resignation.

### Profile of Mr. David Lee

Mr. David Lee is currently the Sales Leader Asia, Kennametal Tooling at Kennametal Inc. He joined Kennametal Inc. in the year 2007 as Regional Sales and Marketing Director. He has served through different businesses in Kennametal over the span of seven years.

Prior to joining Kennametal Inc. he had served various organizations and handled various roles as Sales Engineer in Avery Dennison, Senior Sales Manager in ID Technologies and as Sales Manager in Brady Corporation. He has over 19 years of experience in the field of Sales, Marketing and Leadership.

He graduated as a Mechanical Engineer from Nanyang Technological University in the year 2001 and also holds a Master of Business Administration (MBA) from the University of Buffalo, USA.

Appropriate resolutions are being proposed at the ensuing Annual General Meeting seeking consent of the members for the aforesaid reappointments/appointments and your Directors recommend your approval.

A brief profile of the respective Directors being appointed/re-appointed as required under Clause 49 of the Listing Agreement is furnished along with the Notice convening the 50<sup>th</sup> Annual General Meeting.

### DIRECTORS' INTEREST

No Director was materially interested in any contracts or arrangements existing during or end of the period in relation to the business of the Company. No Director holds any shares in the Company as on June 30, 2015 except Mr. B. Anjani Kumar, Non-Executive Independent Director, who holds 10 equity shares of Rs. 10/- each in the Company.

### DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134 (3) (c) of the Companies Act, 2013, the Board of Directors report that:

- the applicable accounting standards have been followed in the preparation of the financial statements, along with proper explanations relating to material departures, if any;
- the directors 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 at June 30, 2015 and of the profit of the Company for the year ended on that date;

- that directors 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;
- the directors have prepared the annual accounts on a going concern basis;
- the directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## FIXED DEPOSITS

During the year, your Company has not invited/ accepted any Fixed Deposits under Chapter V of the Companies Act, 2013.

## PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

During the year, the Company has not provided any Loans or Guarantees to any other company as per the provisions of Section 186 of the Companies Act, 2013 and the details of investments made are given in the notes to the Financial Statements.

## EVALUATION OF THE BOARD'S PERFORMANCE

During the year, the Board adopted a formal mechanism for evaluating its performance and that of its Committees and Directors, including the Chairman of the Board. The exercise was carried out through a structured evaluation process covering various aspects of the functioning of the Board and Committees such as their composition, experience & competencies, performance of specific duties & obligations, governance issues etc. A separate exercise was carried out to evaluate the performance of each individual director including the Board's Chairman who were evaluated on parameters such as contribution at the meetings, independent judgment, attendance and other relevant aspects. The Board was satisfied with the evaluation results, which reflected the overall engagement of the Board, Committees and the Directors of the Company.

## CORPORATE GOVERNANCE

A detailed report on Corporate Governance along with the certificate from Mr. Vijayakrishna K.T., a Company Secretary in Practice confirming compliance of Corporate Governance norms as stipulated in Clause 49 of the Listing Agreement with the BSE Limited is set out in "Annexure II" to this report.

## COMPLIANCE WITH THE CODE OF CONDUCT

A declaration signed by the Managing Director affirming compliance with the Company's Code of Conduct by your

Directors and Senior Management of your Company, for the year under review, as required under Clause 49 of the Listing Agreement with BSE Limited is annexed as "Annexure IIA" and forms part of this report.

The Kennametal Code of Business Ethics & Conduct is a major component of the Kennametal Value Business System (KVBS). The Code addresses the importance of fair dealing and compliance in all aspects of your Company's business and focuses on the concept of doing the right thing every day.

Your Company insists on its employees to embrace the Code of Business Ethics & Conduct to ensure maintenance of a strong ethical culture.

## CEO/CFO CERTIFICATE

A certificate from the Chief Executive Officer (Managing Director) and the Chief Financial Officer dated August 21, 2015 on the financial statements and the cash flow statement of the Company for the financial year ended June 30, 2015 is annexed as "Annexure-IIB" and forms part of this report.

## WHISTLE-BLOWER POLICY/VIGIL MECHANISM

Your Company was following a Whistle Blower policy/mechanism even prior to the requirements of the Companies Act 2013. However, pursuant to Section 177 of the Companies Act, 2013 your Company has taken on record the Vigil Mechanism (Whistle Blower Policy) of the Company subsequent to the approval of the Board of Directors at their meeting. The Whistle Blower policy provides avenues for employees to raise complaints and to receive feedback on action taken and seeks to reassure the employees that they will be protected against victimization and for any whistle blowing conducted by them in good faith.

## THE KENNAMETAL ETHICS HELPLINE

Anyone can make a complaint about the violation of Code of Conduct of the Company. Reports made to the Helpline can be done via the phone or the web on a confidential and anonymous basis, where allowed by local law. The Helpline is administered by an independent third-party and is available 24 hours a day, 7 days a week.

## CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE, ETC.

A report in respect of conservation of energy, technology absorption, foreign exchange earnings and outgo, as required under Section 134(3)(m) of the Companies Act, 2013 read with the Rule 8(3) of The Companies (Accounts) Rules, 2014, is set out in "Annexure III" to this report.

## AUDITORS & AUDITORS' REPORT

Messrs. Price Waterhouse & Co Bangalore LLP, Chartered Accountants (FRN: 007567S/S-200012) were appointed as Statutory Auditors at the Annual General Meeting held on



November 04, 2014 for a period of 3 (three) years from the conclusion of the Forty-ninth Annual General Meeting until the conclusion of the fifty second annual general meeting, subject to ratification at every annual general meeting of the Company. The Board recommends the ratification of their continuation as Auditors. The Company has received a confirmation from the Statutory Auditors to the effect that they would be eligible for such continuation.

The Auditors' Report to the Members on the Accounts of the Company for the year ended June 30, 2015 does not contain any qualification, reservation or adverse remarks. The notes on financial statement referred to in the Independent Auditor's Report are self-explanatory and do not call for any further comments.

#### **SECRETARIAL AUDITOR**

Mr. Vijayakrishna K.T., Company Secretary in practice (FCS 1788) carried out a Secretarial Audit under the provisions of Section 204 of the Companies Act, 2013 for the financial year 2014-15 and submitted his report, which is annexed to this report as "**Annexure-IV**". The report does not contain any qualification.

#### **COST AUDITORS**

Pursuant to Section 148 of the Companies Act, 2013, the Board of Directors of the Company upon recommendation made by the Audit Committee has appointed Messrs. K.S. Kamalakara & Co., Cost Accountants (Firm Registration No: 0000296), as the Cost Auditors of the Company for the financial year 2015-16 and has recommended his remuneration to the shareholders for their ratification at the ensuing Annual General Meeting.

#### **CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES**

Pursuant to Section 188 of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the related party transactions that were entered into during the financial year were on arm's length basis and in the ordinary course of business. Further, there are no material related party transactions during the year under review with the Directors or Key Managerial Personnel. All related party transactions are placed before the Audit Committee and the Board for approval as applicable under Section 188 of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

The policy on related party transactions as approved by the Board is uploaded on the Company's website at the link <http://www.kennametal.com/content/dam/kennametal/kennametal/hil/About%20Us/Company%20Profile/KIL%20Related%20Party%20Transactions%20Policy%2005052015%20.pdf>

The Particulars on RPTs in AOC 2 is annexed to the Report as "**Annexure V**".

#### **PARTICULARS OF DISCLOSURES AS REQUIRED UNDER SECTION 197 OF THE COMPANIES ACT, 2013**

Pursuant to Section 197(12) of the Companies Act, 2013 read with Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 the ratio of the remuneration of each director to the median employee's remuneration for the financial year and such other details as prescribed are set out in the "**Annexure VI**". The statement showing details of employees of the Company employed throughout the year and employed for the part of the year, who were in receipt of remuneration of ₹ 60 Lakhs or more per annum / ₹ 5 Lakhs or more per month is annexed herewith as "**Annexure VII**".

##### Prevention of Sexual Harassment

There was no complaint lodged by any woman employee under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, with the Company during the period under report.

#### **RESEARCH & DEVELOPMENT (R & D)**

The Research, Development and Engineering (RD& E), works on new Products and Process Developments with specific focus on materials, coatings and design.

RD&E, Bengaluru is a globally aligned matrix set-up and works for the Company's needs with a continued specific focus on up-gradation of products, processes and technology, which is also recognized by the Ministry of Science & Technology - Department of Scientific and Industrial Research - Government of India.

#### **ENVIRONMENT, HEALTH AND SAFETY (EHS)**

Environmental, Health, and Safety (EHS) are fundamental to your Company's business and its ability to **Deliver The Promise** to all the stakeholders, including its employees, customers, shareholders, and the public. Everyday, employees are empowered to demonstrate Kennametal EHS commitment by striving for:

**100% Safe**-pursuing a goal of zero injuries, illnesses, and incidents by living the belief that all are preventable. Your Company is pursuing the goal of zero through senior leader ownership of safety, preventative actions and processes, and by establishing leadership roles for employees in safety.

**Protecting Our Planet**- providing sustainable solutions by reducing the total environmental impact of our products and operations. Your Company have been working towards protecting our planet by continuously improving the management of energy and natural resources, promoting recycling and recovery of materials, and preventing pollution. Among other things, the following EHS activities/improvements were undertaken during the year:

- A total 3,635 hours were spent on EHS training by employees of your Company.
- Annual medical examination of employees was conducted to maintain good health. Health awareness programme was also conducted to create awareness and improve good health of the employees of the Company.
- Your Company continued the Management Based Safety (MBS) programme, a standard global safety process that has been the cornerstone of great improvement in safety culture.
- A Risk Finder Tool and an improved Daily Safety Checklist are designed to strengthen every employee's ability to identify, document and eliminate hazards at their workplace.
- Your Company continued to monitor the hazardous and non-hazardous waste, according to waste stream and disposal route, with performance assessed on the basis of waste intensity.

To minimise risk and to improve the safe working environment through hazard identification and Risk assessment, the following EHS Improvements projects were completed in FY15.

- Fire Hydrant improvement - Updating of Firefighting and sprinkler system to minimise the fire risk.
- Installed flame detection on Carburizing furnaces ( Six numbers) with alarm to alert the operator to take immediate action to minimize the fire risk
- 5 dust collectors for Bangalore Metallurgy Plant to improve safe working environment.
- In Production Unit No.2, installed dry dust collectors by removing wet type dust collector to improve efficiency of dust collection and also to improve safe working environment.
- Compact Heater to replace existing oil heating system to improve safe working and also to save energy.
- Ergonomics
  - Drums with materials are handled using a customised lift and tilt unit to eliminate scooping and to minimize the exposure to dust.
  - A pneumatically operated jib crane has been installed for lifting and lowering of milling drums from the Acetone bath to prevent finger injury and sprain to shoulder.
- **Employee Involvement and Recognition**
  - The 404 Find and Fix program was implemented in FY15, to involve employees in eliminating hazards and to recognize them for their contribution. This also helped in creating a safe working environment.

## CORPORATE SOCIAL RESPONSIBILITY (CSR)

As required under Section 134(3)(o) of the Companies Act, 2013, details about the policy developed and implemented by the Company on Corporate Social Responsibility initiatives during the year ended June 30, 2015 are given in “**Annexure VIII**” to this report.

## LAND COMPENSATION MATTER

As reported in the previous annual reports, the Special Land Acquisition officer of Karnataka Industrial Area Development Board (KIADB) had passed an order dated March 05, 2012 to deposit the land compensation amount of ₹499.75 Lakhs after Tax Deduction at Source (TDS) in the City Civil Court, Bangalore, due to objections raised by the representatives of Ramlingeshwar Mutt, Harnahalli, Shivamogga, Karnataka on the title of the property. The Civil Court finally heard the matter and passed the verdict on June 10, 2014 in favor of your Company. The Court found an error in memo of the parties and corrected it in December, 2014. The order for release of compensation amount was passed on August 18, 2015 and your Company has received the land Compensation amount along with interest totally amounting to ₹ 647 Lakhs which is shown as an exceptional item in the Financial Results. After tax deduction at source, the net amount received from the court on August 19, 2015 was ₹5,91,80,773/-.

## PERSONNEL / INDUSTRIAL RELATIONS

During the year under review, your Company maintained healthy, cordial and good industrial relations at all levels. The enthusiasm and unstinting efforts of the employees have enabled your Company to remain at the forefront of the industry. Your Directors record their appreciation for the hard work and efficiency.

## DISCLOSURES UNDER THE COMPANIES ACT, 2013

### Extract of the Annual Return

An extract of the annual return as per Form MGT - 9 is enclosed in “**Annexure IX**” to the Board's Report.

### Number of Board Meetings

The Board of Directors met five times during FY15. The details of the Board meetings and the attendance of the Directors are provided in the Corporate Governance Report.

### Committees of Board of Directors

Details of memberships and attendance of various committee meetings of the Company are given in the Corporate Governance Report.

## FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS

The Company has a structured familiarization programme for Independent Directors of the Company which is also extended to other Non-Executive Directors to ensure