



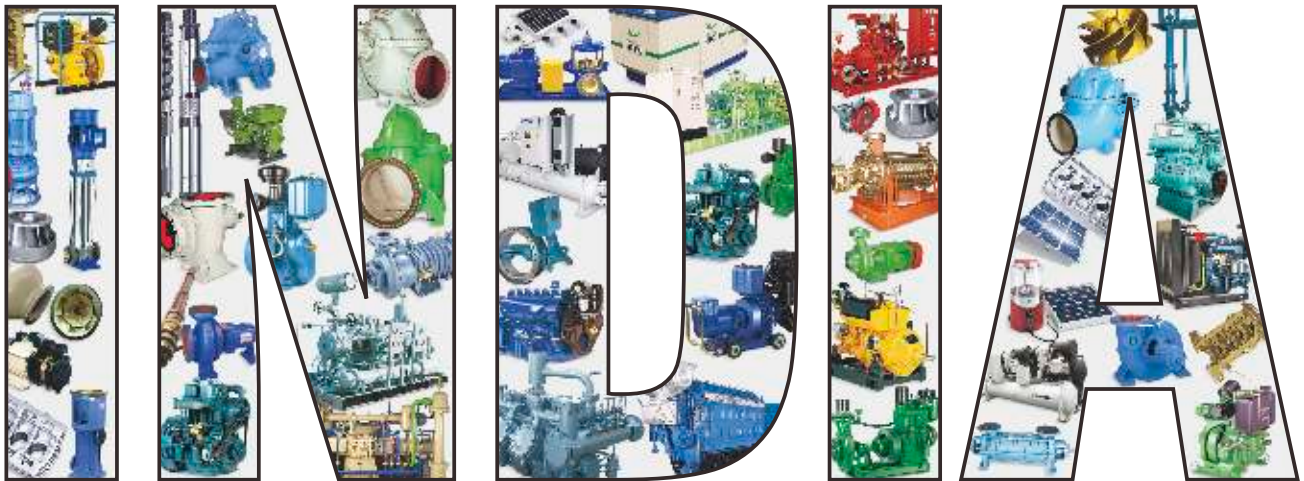
KIRLOSKAR PNEUMATIC CO. LTD.

A Kirloskar Group Company

40th ANNUAL REPORT 2014 - 2015

Enriching Lives

MAKING IN



SINCE 1910

It has always been a matter of great pride for us to be able to serve the world relentlessly through critical engineering solutions - made right here in India, since 1910. And with the 'Make in India' programme gaining momentum, there is greater emphasis on reforms, new initiatives and best-in-class manufacturing infrastructure.

With the winds of change blowing in India's favour, there's never been a better time for us to put it in the league of global champions. With innovative, indigenous offerings, we will ensure that the world continues to look at India with awe and admiration.



Your company is poised to make India proud by:

- Becoming a compression technology partner for CNG infrastructure in India (from producing wells to distribution).
- Being at the heart of the Indian cold chain industry with its natural refrigerant compressor.
- Developing advanced technology refrigeration systems for refineries and petrochemical plants in India.
- Being a one stop shop for air conditioning and refrigeration systems of ships.
- Manufacturing high-end customised gearboxes for wind turbines and power plants, steel mills and cement plants.
- Manufacturing railway brake compressors for diesel electric locomotives.
- Reducing carbon footprint with efficient products.

40th Annual Report for the financial year ended on 31 March, 2015

BOARD OF DIRECTORS

Mr Rahul C Kirloskar	Executive Chairman
Mr Aditya Kowshik	Managing Director
Mr Atul C Kirloskar	
Mr Vikram S Kirloskar	
Mr A C Mukherji	
Mr P S Jawadekar	
Mr G Krishna Rao	
Mr D R Swar	
Mr Sunil Shah Singh	
Mr Sanjay C Kirloskar	(upto 23 April, 2014)
Dr Aditi Pant	(appointed w.e.f. 24 July, 2014)
Late Mr J Y Tekawade	(upto 4 November, 2014)

CHIEF FINANCIAL OFFICER

Mr Suhas S Kolhatkar

COMPANY SECRETARY

Mr Jitendra R Shah

AUDITORS

M/s P G Bhagwat
Chartered Accountants, Pune

SECRETARIAL AUDITORS

M/s SVD & Associates
Company Secretaries, Pune

BANKERS

Bank of India	ICICI Bank Ltd.
Bank of Maharashtra	HDFC Bank Ltd.
Union Bank of India	

REGISTERED OFFICE

Hadapsar Industrial Estate,
Pune 411 013
Email: sec@kpcl.net
www.kirloskarkpcl.com
CIN: L29120PN1974PLC110307

Information for shareholders

Annual General Meeting	
Day & Date	: Wednesday, 29 July, 2015
Time	: 2.30 p.m.
Venue	: S. M. Joshi Socialist Foundation (S. M. Joshi Hall) S. No. 191/192, Navi Peth Near Ganjave Chowk Pune - 411 030
Proposed Dividend	: 50% (₹ 5 per share of ₹ 10/- each)
Date of Book Closure	: 23 July 2015

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NOTICE OF 40TH ANNUAL GENERAL MEETING

NOTICE is hereby given that the 40th Annual General Meeting of the Members of Kirloskar Pneumatic Company Limited will be held on Wednesday the 29th day of July, 2015 at 2.30 p.m. at SM Joshi Socialist Foundation (SM Joshi Hall), S. No. 191/192 Navi Peth, Ganjave Chowk, Near Patrakar Bhavan, Pune 411030 to transact the following business :

ORDINARY BUSINESS

- 1 To receive, consider and adopt the Financial Statements of the Company for year ended 31 March, 2015 together with the Report of the Auditors' and Board of Directors thereon and Consolidated Financial Statements of the Company for year ended 31 March, 2015.
- 2 To declare dividend on equity shares for the financial year ended on 31st March, 2015.
- 3 To appoint a Director in place of Mr Atul C Kirloskar (holding DIN 00007387), who retires by rotation and being eligible, offers himself for re-appointment.
- 4 To ratify the appointment of M/s P G Bhagwat (Firm Registration No.101118W) Chartered Accountants, as Statutory Auditors.

SPECIAL BUSINESS

- 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 Section 148 and any other applicable provisions of the Companies Act, 2013 and Rule 14 of the Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment thereof for the time being in force) consent of the Company be and is hereby accorded for the payment of remuneration of Rs. 5 Lacs (Rupees Five Lacs only) to Company's Cost Auditor, M/s S G Jog, a proprietary firm of Cost Accountant, for auditing the cost records maintained by the Company for the financial year ending 31 March, 2016.”
- 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, 152 and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Dr Aditi Pant (holding DIN 06930011), Director of the Company who was appointed as an additional director, in terms of Section 161 of the Companies Act, 2013, 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 an Independent Director of the Company to hold office for a term of 3 consecutive years up to 28 July, 2018.
RESOLVED FURTHER that pursuant to the provisions of Sections 149, 197 and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), Dr Aditi Pant be paid such fees and remuneration and profit related commission as the Board may approve from time to time and subject to such limits, prescribed or as may be prescribed from time to time”.

NOTES:

- 1 A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY / PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF AND SUCH A PROXY / PROXIES SO APPOINTED NEED NOT BE A MEMBER OF THE COMPANY. A person can act as proxy on behalf of members not exceeding fifty (50) and holding aggregate not more than ten percent of the total share capital of the Company.
The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. A proxy form is sent herewith. Proxies submitted on behalf of companies must be supported by an appropriate resolution/authority as applicable.
- 2 The relative Explanatory Statement, pursuant to Section 102(1) of the Companies Act, 2013, in respect of the special business under item nos. 5 and 6 is annexed hereto.
- 3 The Register of Members and the Share Transfer Books of the Company will remain closed on Thursday, the 23rd day of July, 2015 for the purpose of payment of the dividend for the financial year ended 31 March, 2015 and the AGM.

- 4 Subject to the provisions of the Companies Act, 2013, dividend as recommended by the Board of Directors, if declared at the meeting will be paid after 29 July, 2015 to those members whose names appear on the Register of Members as on 22 July, 2015. In order to get their dividend through Electronic Clearing Service (ECS) members who are holding shares in physical form are requested to inform their Bank Account Details i.e Name of the Bank, Branch, its address, Account Number and Type of Account to M/s Link Intime India Pvt Ltd (LIPL) or to the Company. Shareholders holding shares in electronic form are requested to inform their Bank Account details to their respective Depository Participants. Those shareholders who do not opt for ECS facility may inform their details to LIPL for printing the same on the Dividend Warrants to ensure safety.
- 5 All documents referred to in the notice and the explanatory statement requiring the approval of the Members at the Meeting and other statutory registers shall be available for inspection by the Members at the Registered Office of the Company during normal business hours on all working days between 11.00 a.m. and 1.00 p.m. except Saturdays, from the date hereof up to the date of the Annual General Meeting.
- 6 In terms of the provisions of Section 124 of the Companies Act, 2013 (corresponding to Section 205A of the Companies Act, 1956), the amount of dividend not encashed or claimed within 7(seven) years from the date of its transfer to the unpaid dividend account, will be transferred to the Investor Education and Protection Fund established by the Government. Accordingly, the unclaimed dividend in respect of financial year 2007-08 is due for transfer to the said Fund in July 2015. In terms of provisions of Section 124 of the Companies Act, 2013 (corresponding to Section 205C of the Companies Act, 1956), no claim shall lie against the Company or the said Fund after the said transfer.
- 7 Members who have neither received nor encashed their dividend warrant(s) for the financial years 2007-08 to 2013-14, are requested to write to the Company, mentioning the relevant Folio number or DP ID and Client ID, for issuance of duplicate/revalidated dividend warrant(s) before the amount becomes due for transfer.
- 8 Members holding shares in physical form are requested to promptly notify in writing any changes in their address/bank account details to the Secretarial Department of the Company at Hadapsar Industrial Estate, Pune 411013 or its registrar M/s Link Intime India Pvt Ltd (LIPL) at their address, Akshay Complex, No. 202, 2nd floor, near Ganesh Temple, Off Dhole Patil Road, Pune 411001. Members holding shares in electronic form are requested to notify the changes in the above particulars, if any, directly to their Depository Participants (DP).
- 9 Equity shares of the Company are under compulsory demat trading by all investors. Considering the advantage of scripless trading, members are encouraged to consider dematerialization of their shareholding so as to avoid inconvenience in future.
- 10 **Voting through electronic means for Annual General Meeting**
- I. Pursuant to provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 and modifications and amendments thereof and Clause 35B of the Listing Agreement, the Company is pleased to provide members facility to exercise their right to vote at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL):
- The process and manner for remote e-voting are as under:-
- A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company / Depository Participants(s)]:
- (i) Open email and open PDF file viz; "remote e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.
 - (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
 - (iii) Click on Shareholder - Login
 - (iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
 - (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - (vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
 - (vii) Select "EVEN" of "KIRLOSKAR PNEUMATIC COMPANY LIMITED".
 - (viii) Now you are ready for remote e-voting as Cast Vote page opens.

- (ix) Cast your vote by selecting appropriate option and click on “Submit” and also “Confirm” when prompted.
 - (x) Upon confirmation, the message “Vote cast successfully” will be displayed.
 - (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
 - (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to deulkarcs@gmail.com with a copy marked to evoting@nsdl.co.in
- B. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy] :
- (i) Initial password is provided as below/at the bottom of the Attendance Slip for the AGM
 EVEN (Remote e-voting Event Number) USER ID PASSWORD/PIN
 - (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.
- II. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990.
- III. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.
- IV. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- V. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 22 July, 2015.
- VI. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 22 July, 2015, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or pune@linktime.co.in.
 However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using “Forgot User Details/Password” option available on www.evoting.nsdl.com or contact NSDL at the following toll free no.: 1800-222-990.
- VII. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
- VIII. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through polling paper.
- IX. Mr S V Deulkar, of SVD & Associates, Company Secretaries, (Membership No. FCS: 1321) (C/o. M/s LINK INTIME INDIA PVT. LTD. (Unit : Kirloskar Pneumatic Company Limited) C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (W), Mumbai - 400 078) has been appointed as the Scrutinizer for providing facility to the members of the Company to scrutinize the remote e-voting process in a fair and transparent manner.
- X. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of “Polling Paper” for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- XI. The Scrutinizer shall after the conclusion of voting at the AGM, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- XII. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company www.kirloskarkpcl.com and on the website of NSDL www.nsdl.co.in immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited, Mumbai.

- XIII. The e-voting period commences on 26 July, 2015 (9 a.m.) and ends on 28 July, 2015 (5 p.m.). The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
- 11 Under the provisions of the Income Tax Act, 1961, dividend amount is tax free in the hands of shareholders.
- 12 Members are requested to sign at the place provided on the attendance slip and handover the same at the entrance of the Meeting.
- 13 Queries on Accounts of the Company, if any, may please be sent to the Company Secretary at the Registered Office of the Company seven (7) days in advance of the Meeting so that the answers may be made available at the Meeting.
- 14 Members are requested to bring their personal copy of the Annual Report to the Meeting.
- 15 With a view to using natural resources responsibly, we request shareholders to update their email address with their Depository Participants to enable the Company to send communications electronically.
- 16 The Annual Report 2014-15 is being sent through electronic mode only to the members whose email addresses are registered with Company / Depository Participant(s), unless any member has requested for a physical copy of the report. For members who have not registered their email addresses, physical copies of the Annual Report 2014-15 are being sent by the permitted mode.
- 17 Re-appointment of Director at the Annual General Meeting :

Mr Atul C Kirloskar is liable to retire by rotation and being eligible, offers himself for re-appointment. Pursuant to Clause 49(VIII)(E) of the Listing Agreement relating to the Code of Corporate Governance, the particulars of the aforesaid Director is given below:

Mr Atul C Kirloskar did his graduation B.E. WIT, from USA.

Mr Atul C Kirloskar began his career with the erstwhile Kirloskar Cummins Limited in the year 1978, where he started out as a trainee. In December 1981, he was appointed as the Chief Executive of Cummins Diesel Sales and Services. On November 1, 1984, he was appointed as the Executive Vice President of Kirloskar Oil Engines Ltd (KOEL). He was co-opted on the Board of KOEL on 6 August, 1985 wherein he took over as the Managing Director. In 1988, he was also appointed as the Vice-Chairman of KOEL and held the position till 25 July, 1998 when he was elected as Chairman of the Board of KOEL. He is a member of the World Economic Forum. He has served as President of MCCIA from September 2002 to September 2004 and was Chairman of CII National Committee of defence from 1998 to 2008.

The Directorship in other public limited companies is as follows:

Name of the Company	Board position held	Committee Position held
Kirloskar Oil Engines Ltd	Executive Chairman	
Kirloskar Brothers Investments Ltd	Chairman	-
Kirloskar Ferrous Industries Ltd	Chairman	Stakeholders' Relationship Committee – Chairman
Kirloskar Industries Ltd	Chairman	
Kirloskar Proprietary Ltd	Director	
Pneumatic Holdings Ltd	Director	
Five Star Bulkcarriers Ltd	Director	

Only 2 Committees i.e. the Audit Committee and Stakeholders Relationship Committee are considered for this purpose.

Mr Atul C Kirloskar holds 1,54,363 shares (singly & jointly) in the Company .

Mr Rahul C Kirloskar Director of the company, being the brother, is related to each other.

By Order of the Board of Directors

sd/-

Jitendra Shah

Company Secretary

Registered Office :
Hadapsar Industrial Estate,
Pune 411 013
Date : 7 May, 2015

ANNEXURE TO THE NOTICE

Explanatory statement as required under Section 102 of the Companies Act, 2013.

ITEM NO. 5 OF THE NOTICE

The Board of Directors at their meeting held on 7 May, 2015, based on the recommendation of the Audit Committee, had appointed M/s S G Jog, a proprietary firm of Cost Accountants as Cost Auditors of the Company for auditing the cost records maintained by the Company for the financial year ending 31 March, 2016 and also fixed their remuneration for the said purpose.

Pursuant to the provisions of Section 148 and any other applicable provisions of the Companies Act, 2013 and Rule 14 of the Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment thereof for the time being in force) remuneration payable to the Cost Auditors is required to be ratified by the members of the Company.

Therefore, the Board of Directors recommend the proposed resolution for your approval.

None of the Directors and Key Managerial Personnel is concerned or interested, financial or otherwise, in the resolution set out at an Item No. 5.

ITEM NO. 6 OF THE NOTICE

Dr Aditi Pant (DIN 06930011) is an Additional Director (Independent Director for the purpose of Clause 49 of the Listing Agreement) with effect from 24 July, 2014 till the ensuing Annual General Meeting.

Profile of the Director

Dr Aditi Pant has done her PH.D in the year 1973 from University of London (UK). She is a Member of General Body Maharashtra Association for the Cultivation of Science, Biofuel Committee, Department of Biotechnology and Maharashtra Society for the Cultivation of Science.

Dr Aditi Pant has 67+ publications (International Journals), 4 Reviews and 5 Patents in her own name.

The Directorship in other companies is Nil.

Dr Aditi Pant ceases to be an Additional Director at the ensuing Annual General Meeting in terms of Section 161 and any other applicable provisions of the Companies Act, 2013, being eligible offer herself for appointment, is proposed to be appointed as an Independent Director for a term of 3 consecutive years upto 28 July, 2018. A notice has been received from a Member proposing Dr Aditi Pant as a candidate for the office of the Director of the Company.

In the opinion of the Board, Dr Aditi Pant fulfills the conditions specified in the Companies Act, 2013 and the rules made thereunder for her appointment as an Independent Director of the Company and is independent of the management and also possesses appropriate balance of skills, experience and knowledge so as to enable the Board to discharge its functions and duties effectively. Copy of the draft letter of appointment of Dr Aditi Pant as an Independent Director setting out the terms and conditions would be available for inspection by the members at the Registered Office of the Company during normal business hours on any working day excluding Saturday.

The Board considers that her continued association would be a immense benefit to the Company and it is desirable to continue to avail services of Dr Aditi Pant as an Independent Director. The Board recommends the resolution in relation to the appointment of Dr Aditi Pant as an Independent Director, for the approval of the Members of the Company.

Under the Companies Act, 2013, Independent Directors can only receive fees under the provisions of Section 197(5) and profit related commission as may be approved by the members. Accordingly approval of members is also being sought for the purposes of payment of fees and profit related commission, which amounts may be decided by the Board / Nomination and Remuneration Committee, from time to time subject to the limit prescribed under Companies Act, 2013 and as may be prescribed under the rules that are passed or may be passed from time to time.

Dr Aditi Pant does not hold any shares in the Company.

Dr Aditi Pant is not related to any other director on the Board of the Company.

None of the Directors or Key Managerial Personnel other than Dr Aditi Pant is concerned or interested, financial or otherwise, in the resolution set out at an Item No. 6. This explanatory statement may also be regarded as disclosure under clause 49 of the Listing Agreement with the Stock Exchange.

Registered Office :
Hadapsar Industrial Estate,
Pune 411 013
Date : 7 May, 2015

By Order of the Board of Directors
sd/-
Jitendra Shah
Company Secretary

DIRECTORS' REPORT TO THE MEMBERS

The Directors have pleasure in presenting this Report with Audited Annual Accounts of the Company for the year ended 31 March, 2015.

FINANCIAL RESULTS

The financial results for the year ended 31 March, 2015 are summarized below:

	2014-15	2013-14
Gross Profit	473,218,544	746,791,697
Less:		
Depreciation	189,026,949	132,140,425
Provision for Taxation	58,439,009	226,350,955
Profit after tax	225,752,586	388,300,317
Surplus from previous year	195,809,253	207,781,268
Add / (Less)		
Transferred to General Reserve	144,794,186	250,000,000
Proposed Dividend	64,221,690	128,443,380
Tax on Proposed Dividend	13,149,200	21,828,952
Retained Earnings	199,396,763	195,809,253

Financial Performance

The year 2014-15 has been a very challenging year for your Company. As your Company is primarily a capital goods equipment manufacturer, lack of investments in major sectors like Oil & Gas, Power, Steel, Cement, Railways and Defence has impacted the revenues of your Company.

The drop in oil prices has forced all Oil & Gas companies to delay their projects which has had a direct impact on us. However, your Company has endeavoured to keep costs under control and this is reflected in its performance.

Net revenues from operations of the company were Rs 4409 million for the year 2014-15 as against Rs 5099 million for the previous year. Consequently, PBT declined to Rs 284 million from Rs 615 million.

DIVIDEND

The Board of Directors have recommended a dividend of Rs 5/- (50%) per equity share for the year ended 31 March, 2015. In the last year a dividend of Rs 10/- (100%) per equity share was paid.

FIXED DEPOSIT

The Company has stopped accepting fixed deposits since 2001-02. As such as of 31 March, 2015 there are no fixed deposits outstanding.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

No Loans, Guarantees covered under the provisions of Section 186 of the Companies Act, 2013 are given / provided during the reporting year.

During the year under review, your Company has made an investment of Rs 44.7 million in Kirloskar RoadRailer Limited, Wholly Owned Subsidiary Company by subscribing to its rights issue of 14.9 million equity shares of Rs. 10/- each partly paid-up of Rs 3/- per equity share.

Your Company has offered 0.1 million equity shares of Rs 10/- each at Rs 500/- per equity share in response to the Buyback offer made by Kirloskar Chillers Private Limited, Associate Company. As a result of this buyback, your Company now holds 0.39 million equity shares representing 34.21% in Kirloskar Chillers Private Limited.

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There have been no material changes and commitments affecting the financial position of the Company, which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of this report.

COMMENTS ON AUDITORS' REPORT

There are no qualifications, reservations or adverse remarks or disclaimers made by M/s P G Bhagwat & Co, Statutory Auditors except a matter of emphasis in respect of approval of Central Government to payment of minimum remuneration to Executive Chairman in their Audit Report. Application, as required is being filed.

There are no qualifications, reservations or adverse remarks in the Secretarial Audit Report of M/s SVD & Associates, Partnership firm of Company Secretaries.

ENERGY CONSERVATION

Your Company is working to reduce the energy required and is continually improving operations to become more energy efficient. Every year your Company adopts best available technology and enhances energy efficiency of its operations. Your Company also works on minimizing waste generated and adopting 5R (Reduce, Reuse, Recycle, Refuse & Recover) practices to reduce the impact on environment. To create awareness amongst employees and society, your Company celebrates Energy Conservation Week, Environment day and Ozone day.

AWARDS

During the year under review, your Company has received:

- 2nd prize at 9th State Level EC Award for financial year 2012-13 from MEDA (Maharashtra Energy Development Agency).
- The Company has also received the following awards in the 28th National Convention on Quality Concepts - NCQC 2014 organised by QCFI:
 - ❖ "Par Excellence Award Trophy" – 2 Nos.
 - ❖ "Excellence Award Trophy" – 5 Nos.
 - ❖ "Distinguished Award Trophy" – 1 No.
 - ❖ "Meritorious Award Trophy" – 2 Nos.
- CII- EXIM Bank Award for "Significant Achievement on the Journey towards Business Excellence – 2014"

DIRECTORS

Mr A C Mukherji, Mr P S Jawadekar, Mr G Krishna Rao, Mr Sunil Shah Singh and Late Mr J Y Tekawade were appointed as Independent Directors on the Board in the last Annual General Meeting held on 23 July, 2014.

The Board of Directors have co-opted Dr Aditi Pant as an Additional Director on the Board with effect from 24 July, 2014. She ceases to be a Director at the ensuing Annual General Meeting and being eligible offers herself for appointment as an Independent Director for a period 3 years. Details of the proposal for appointment of Dr Aditi Pant are mentioned in the Explanatory Statement under Section 102 of the Companies Act, 2013 of the Notice of the 40th Annual General Meeting.

The Company has received notice in writing proposing her candidature for the office of Director. The necessary resolution for her appointment is being placed before you.

Your Company has received necessary declarations from all its Independent Directors stating that they meet the criteria of independence as provided in Sub-section (6) of Section 149 of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

Accordingly, Mr Atul C Kirloskar, Non-Executive Director retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

We deeply regret to inform that Mr J Y Tekawade, Independent Director of the Company, passed away on 4 November, 2014 at the age of 80. He was associated with your Company over a decade. His guidance in every aspect has helped the Company to a great extent. The Company remembered his pragmatic approach in tackling any given situation and his enormous contribution to the Board. Your Company places on record its profound grief and sense of sorrow on the sad demise of Mr J Y Tekawade.

Board Evaluation

The annual evaluation framework for assessing the performance of Directors comprises of the following key areas:

- a) Attendance for the meetings, participation and independence during the meetings;
- b) Interaction with Management;
- c) Knowledge and proficiency;
- d) Strategic perspectives or inputs