

Sundram Fasteners Limited

Sundram Fasteners Limited

CIN : L35999TN1962PLC004943

Registered Office : 98-A, Dr. Radhakrishnan Salai, Mylapore, Chennai - 600 004

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NOTICE TO THE SHAREHOLDERS

NOTICE is hereby given that the Fifty first Annual General Meeting of the Shareholders of the Company will be held at The Music Academy - T T Krishnamachari Auditorium (Main Hall), New No. 168, T T K Road, Royapettah, Chennai 600 014 on **Monday the 22nd September 2014 at 10.00 a.m.** to transact the following business:

ORDINARY BUSINESS:

- 1) To consider and, if thought fit, to pass, with or without modification the following Resolution as an Ordinary Resolution:
"RESOLVED that the Audited Balance Sheet as at 31st March 2014, the statement of Profit and Loss Account and cash flow statement including the consolidated financial statements for the year ended 31st March 2014, together with the Report of the Directors' and the Auditors' Report, be and are hereby approved and adopted."
- 2) To consider and, if thought fit, to pass, with or without modification the following Resolution as an Ordinary Resolution:
"RESOLVED that Ms Arathi Krishna, (*holding DIN 00517456*) Director, who was appointed as a Director not liable to retire by rotation at the Annual General Meeting held on 23rd August, 2006, but who retires by rotation at this Annual General Meeting in terms of Section 152 of the Companies Act, 2013, being eligible and offering herself for re-appointment, be and is hereby appointed as a Director liable to retire by rotation."
- 3) To consider and, if thought fit, to pass, with or without modification the following Resolution as an Ordinary Resolution :
"RESOLVED that M/s Sundaram & Srinivasan, Chartered Accountants, Chennai, Auditors of the Company, (Registration No.004207S with the Institute of Chartered Accountants of India), be and are hereby re-appointed as statutory auditors of the Company to hold office from the conclusion of this Annual General Meeting for a term of three consecutive years, till the conclusion of the Annual General Meeting of the Company for the financial year 2016-2017, subject to ratification at every annual general meeting, on such remuneration as may be determined by the Board of Directors of the Company, in addition to reimbursement of travelling and other out-of-pocket expenses actually incurred by them in connection with the audit."

SPECIAL BUSINESS:

- 4) To consider and, if thought fit, to pass, with or without modification the following Resolution as an Ordinary Resolution:
"RESOLVED that pursuant to the provisions of Section 149, 150, 152, 160 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualifications) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Sri R Ramakrishnan (*holding DIN 00236673*), be and is hereby appointed as a non-executive and independent director of the Company, to hold office for a term of three (3) consecutive years from 22nd September, 2014 to 21st September, 2017 and to receive remuneration by way of fees and other remuneration as may be payable, reimbursement of expenses for participation in the meetings of the board and / or committees and / or general meetings in terms of applicable provisions of the Companies Act, 2013 as determined by the board and / or committee from time to time."
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- 5) To consider and, if thought fit, to pass, with or without modification the following Resolution as an Ordinary Resolution:

“RESOLVED that pursuant to the provisions of Section 149, 150, 152, 160 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualifications) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Sri M Raghupathy (*holding DIN 00012997*), be and is hereby appointed as a non-executive and independent director of the Company, to hold office for a term of three (3) consecutive years from 22nd September, 2014 to 21st September, 2017 and to receive remuneration by way of fees and other remuneration as may be payable, reimbursement of expenses for participation in the meetings of the board and / or committees and / or general meetings in terms of applicable provisions of the Companies Act, 2013 as determined by the board and / or committee from time to time.”

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

“RESOLVED that pursuant to the provisions of Section 149, 150, 152, 160 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualifications) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Sri C V Karthik Narayanan (*holding DIN 00255676*), be and is hereby appointed as a non-executive and independent director of the Company, to hold office for a term of four (4) consecutive years from 22nd September, 2014 to 21st September, 2018 and to receive remuneration by way of fees and other remuneration as may be payable, reimbursement of expenses for participation in the meetings of the board and / or committees and / or general meetings in terms of applicable provisions of the Companies Act, 2013 as determined by the board and / or committee from time to time.”

- 7) To consider and, if thought fit, to pass, with or without modification the following Resolution as an Ordinary Resolution:

“RESOLVED that pursuant to the provisions of Section 149, 150, 152, 160 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualifications) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Sri V Narayanan (*holding DIN 00081673*), be and is hereby appointed as a non-executive and independent director of the Company, to hold office for a term of four (4) consecutive years from 22nd September, 2014 to 21st September, 2018 and to receive remuneration by way of fees and other remuneration as may be payable, reimbursement of expenses for participation in the meetings of the board and / or committees and / or general meetings in terms of applicable provisions of the Companies Act, 2013 as determined by the board and / or committee from time to time.”

- 8) To consider and, if thought fit, to pass, with or without modification the following Resolution as an Ordinary Resolution:

“RESOLVED that pursuant to the provisions of Section 149, 150, 152, 160 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualifications) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Sri R Srinivasan (*holding DIN 00043658*), be and is hereby appointed as a non-executive and independent director of the Company, to hold office for a term of five (5) consecutive years commencing from 22nd September, 2014 to 21st September, 2019 and to receive remuneration by way of fees and other remuneration as may be payable, reimbursement of expenses for participation in the meetings of the board and / or committees and / or general meetings in terms of applicable provisions of the Companies Act, 2013 as determined by the board and / or committee from time to time.”

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- 9) To consider and, if thought fit, to pass, with or without modification the following Resolution as a Special Resolution:

"RESOLVED that pursuant to the provisions of Section 14 and all other applicable provisions of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the draft regulations contained in the Articles of Association submitted to this meeting be and is hereby approved and adopted in lieu of, and to the entire exclusion of the existing Regulations;

RESOLVED further that the Board of Directors and Sri V G Jaganathan, Chief Financial Officer & Company Secretary of the Company be and are hereby severally authorised to do all acts and take all such steps as may be necessary, proper or necessary to give effect to this resolution."

- 10) To consider and, if thought fit, to pass, with or without modification the following Resolution as a Special Resolution:

"RESOLVED that the consent of the Company be and is hereby accorded pursuant to Section 180(1)(c) of the Companies Act, 2013, to the Board of Directors to borrow monies from time to time, at their discretion, together with the monies already borrowed by the Company (apart from temporary loans to be obtained from the Company's bankers in the ordinary course of business) either from the Company's bankers and / or any one or more persons, entities or Financial Institutions including by issue of debentures or otherwise and whether unsecured or secured by charge, lien or pledge, mortgage and hypothecation of the Company's assets and properties whether tangible / intangible, movable or immovable, or stock-in-trade and work-in-progress / process of the Company on such terms and conditions as may be considered suitable by the Board of Directors up to a limit of Rs 1,000 crores (Rupees One thousand crores only) in excess of the aggregate of the paid-up capital and free reserves of the Company."

- 11) To consider and, if thought fit, to pass, with or without modification the following Resolution as a Special Resolution:

"RESOLVED that consent of the Company be and is hereby accorded, in terms of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 and the Rules thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), to the Board of Directors of the Company, to create such charge, lien or pledge, mortgage and hypothecation in addition to the existing charges, mortgages and hypothecations created by the Company, on such tangible / intangible, movable and immovable properties, wherever situated, both present and future, in such manner as the Board may deem fit, in favour of Banks / Financial Institutions and / or other Lenders / Trustees for Debentures / Bonds to secure the borrowings viz., term loans, working capital loans - both short-term and long-term, foreign currency borrowing(s) including external commercial borrowing(s), buyer's credit or such other loan(s), non-convertible debentures etc., availed / issued by the Company together with interest at the agreed rate, additional interest, liquidated damages, commitment charges, premia on prepayment or on redemption, costs, charges, expenses and all other monies payable by the Company in respect of such borrowings of the Company, subsidiaries, associates, joint ventures on such terms and conditions, as the Board may determine from time to time.

RESOLVED further that for the purpose of giving effect to the above Resolution, the Board be and is hereby authorized to execute the documents, agreements, deeds, indemnities, guarantees, declarations or other legal undertakings and do all such acts, deeds, matters and things as the Board may deem fit."

By Order of the Board

Chennai
August 7, 2014

V G JAGANATHAN
Chief Financial Officer & Company Secretary

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Notes:

- 1) A Member entitled to attend and vote is entitled to appoint a Proxy to attend and vote on Poll instead of himself and such Proxy need not be a member. **A Person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total voting share capital of the Company. A member holding more than ten percent of the total voting share capital of the Company may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.**
- 2) The instrument appointing proxy should be deposited either at the Registered Office of the Company or at the office of the Company's Share Transfer Agents viz. Integrated Enterprises (India) Limited, Kences Towers, 2nd Floor, No.1, Ramakrishna Street, North Usman Road, T Nagar, Chennai - 600 017 at least 48 hours before the commencement of the meeting. Proxy form enclosed.
- 3) A Statement pursuant to Section 102(1) of the Companies Act, 2013 setting out the material facts in respect of special business in Item No. 4 to 11 of the Notice is annexed hereto.
- 4) SEBI vide its circular no. CIR/MRD/DP/10/2013 dated 21.03.2013 has mandated that in order to enable usage of electronic payment instruments, companies whose securities are listed on the stock exchanges shall maintain requisite bank details of their investors. The circular further mandates that the Companies or their Registrar & Share Transfer Agents (R&STA) shall take necessary steps to maintain updated bank details of the investors at its end. The circular also provides that only in cases where MICR, IFSC Code required for making electronic payment are not available or the electronic payments instructions have failed or have been rejected by the Bank, companies / R&STA can make cash payments (i.e. dividend warrant) to investors. However, even while making such payments, companies shall mandatorily print the bank account details of the investors on such electronic payments. In view of the above circular, investors may note the following advice:-

Investors holding shares in physical mode are requested to intimate / update the bank account details viz, Bank Name, Bank Branch, Account Number, MICR No., IFSC Code along with a copy of the cancelled cheque to the company / R&STA for updating the records.

Investors holdings shares in demat mode are requested to intimate / update the bank account details along with other details as may be required by their concerned Depository Participant.
- 5) The Register of Members and the Share Transfer Books of the Company will remain closed from Monday, the 15th September, 2014 to Monday, the 22nd September, 2014 (both days inclusive).
- 6) Members desiring any information as regards accounts are requested to write to the Company at least 7 days before the meeting so as to enable the Management to keep the information ready.
- 7) Members, holding shares in physical form, are requested to notify / send the following to the Registrar and Share Transfer Agent of the Company :
 - a) any change in their address / mandate / bank details
 - b) particulars of their bank account, in case they have not been sent earlier
 - c) nomination in Form SH-13, in duplicate, as provided under Section 72 of the Companies Act, 2013, in case they have not been sent earlier
 - d) share certificate(s) held in multiple accounts in identical names or joint accounts in the same order of names, for consolidation of such shareholdings into one account
- 8) Members, holding shares in electronic form, may please note that, as per the applicable regulations of the Depositories, the bank details as furnished by the respective Depositories to the Company will be printed

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on the dividend warrants issued from time to time. The Company will not entertain any direct request from such members for deletion of / change in such bank details. Further, instructions if any, already given by members in respect of shares in physical form will not be automatically applicable to the dividend payable on shares in electronic form. Members may, therefore, give instructions regarding bank accounts in which they wish to receive dividend, directly to their Depository Participants.

- 9) As required under the Companies Unpaid Dividend (Transfer to General Revenue Account of the Central Government) (Amendment) Rules, 1988, the unpaid / unclaimed dividends for the financial years ended up to 31st March 1995 have been transferred to the General Revenue Account of the Central Government. Members who have not encashed the dividend warrants for the said periods are requested to claim the amount from the Registrar of Companies (Tamil Nadu), Shastri Bhavan, Block No. 6, II Floor, 26, Haddows Road, Chennai 600 006. In case any assistance is required, members may write to the Registrar and Share Transfer Agent of the Company.
- 10) Consequent upon amendment to Section 205A of the Companies Act, 1956 and introduction of Section 205C by the Companies (Amendment) Act, 1999, the amount of dividend remaining unclaimed and / or unpaid for a period of seven years is to be transferred to the Investor Education and Protection Fund (IEPF) of the Central Government. Accordingly, unclaimed dividends for the financial years ended 31st March 1996 to 31st March 2007 (including unclaimed dividend of erstwhile TVS Autolec Limited (TVSA) have been transferred to IEPF. In terms of the provisions of Section 205C of the Companies Act, 1956, *no claim shall lie* against the Company after the said transfer.

Details of dividend declared by the Company for the financial year 2007-2008 (1st Interim) and onwards are given below :

Financial Year	Pay-out	Declared on	Dividend %	Amount per share Rs
2007-2008	1st Interim – post-bonus	29-10-2007	45	0.45
2007-2008	2nd Interim	06-06-2008	45	0.45
2008-2009	Interim	04-06-2009	50	0.50
2009-2010	1st Interim	29-01-2010	40	0.40
2009-2010	2nd Interim	29-05-2010	50	0.50
2010-2011	1st Interim	09-11-2010	55	0.55
2010-2011	2nd Interim	30-05-2011	70	0.70
2011-2012	1st Interim	09-02-2012	60	0.60
2011-2012	2nd Interim	28-05-2012	80	0.80
2012-2013	1st Interim	08-11-2012	60	0.60
2012-2013	2nd Interim	30-05-2013	80	0.80
2013-2014	1st Interim	01-11-2013	70	0.70

Members who have not encashed the dividend warrant(s) so far for the financial year ended 31st March 2008 (1st Interim) and / or any subsequent financial years are requested to make their claim to the Registrar and Share Transfer Agents of the Company.

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11) Unclaimed Share Certificates

As per Clause 5A of the Listing Agreement (SEBI Circular dated 16th December, 2010) the unclaimed share certificates shall be dematerialised and transferred to "Unclaimed Suspense Account". During the year, the Company has sent the third and final reminder letters to the shareholders, whose share certificates were unclaimed or returned undelivered. Accordingly, pursuant to SEBI directive, necessary action will be taken by the Company to transfer the remaining unclaimed shares to "Unclaimed Suspense Account" and the voting rights on these shares shall remain frozen till the rightful owner claims such shares.

12) Electronic copy of the Annual Report and the Notice of the Annual General Meeting of the Company *inter alia* indicating the process and manner of e-voting along with the attendance slip and proxy form are being sent to all the members whose email address are registered with the company / Depository Participant(s) for communication purposes. For members who have not registered their email address, physical copies of the above documents are being sent in the permitted modes of dispatch.

13) Members are requested to affix their signatures at the space provided on the Attendance slip and handover the slip at the entrance of the meeting hall. Corporate members are requested to send a duly certified copy of the board resolution / power of attorney authorising their representatives to attend and vote at the annual general meeting.

14) Members may also note that the Notice of the Annual General Meeting and the Annual Report will also be available on the Company's website www.sundram.com for download. The physical copies of such documents will also be available at the company's registered office in Chennai for inspection during normal business hours on working days. Members desiring to receive the reports in physical form, even after registering for e-mail mode, may request for the same, upon which reports will be dispatched free of cost. For any communication in this regard, members may send their requests to investorshelpdesk@corp.sfl.co.in

15) Voting through electronics means :

(A) As per the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 and also in terms of the revised Clause 35-B of the Listing Agreement, the Company is providing members facility to exercise their right to vote at the 51st Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting services provided by National Securities Depository Limited (NSDL).

The instructions of e-voting are as follows :

In case a Member receives an email from NSDL, whose email IDs is registered with the Company / Depository Participant(s).

- i. Open email and open PDF file named – "Sundram Fasteners Limited e-voting pdf" with the Client ID or Folio No. as password. The said PDF file contains the user ID and password / PIN for e-voting. Please note that the password is an initial password, which the member may change.
- ii. Launch internet browser by typing the URL: <http://www.evoting.nsdl.com/>
- iii. Click on Shareholder – Login
- iv. Type the USER ID and PASSWORD as initial password / PIN noted in Step (i) above. Thereafter, Click Login
- v. Password change menu will appear now. Change the password / PIN with new password with minimum 8 digits / characters or combination thereof. Note new password. It is strongly recommended not to share the password with any other person and take utmost care to keep the password confidential.
- vi. Home page of e-voting opens. Click on e-voting and select Active voting cycles.

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- vii. Select “EVEN” of Sundram Fasteners Limited.
 - viii. Now, the members may cast the vote as the page opens.
 - ix. Members may cast their 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 a member has voted on the resolution, the member will not be allowed to modify the vote.
 - xii. Institutional Shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (pdf / jpeg format) of the relevant Board Resolution together with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote to Scrutiniser through email to sriramkrishnamurthy@rediffmail.com or skcocs@gmail.com with a copy marked to evoting@nsdl.co.in
- (B) In case of a member whose email IDs are not registered with the Depository Participant(s) (physical copy of the Annual Report is being sent)
- i. Initial password is provided on the Attendance Slip for the AGM:

EVEN (e-Voting Event Number)	USER ID	PASSWORD / PIN
 - ii. The Member may follow all steps from serial no. (ii) to (xii) in (A) above to cast the vote.
 - iii. In case of any queries, the member may refer the frequently asked questions (FAQs) for shareholders and e-voting user manual for shareholders available at the downloads section of www.evoting.nsdl.com or contact NSDL at the phone no.022-24994600.
 - iv. If the member is already registered with NSDL for e-voting then the member can use the existing USER ID and PASSWORD / PIN for casting the vote.
 - v. Members can also update their mobile number and email id in the user profile details of the folio, which may be used for sending future communications.
 - vi. The e-voting period commences on 16th September, 2014 (9.00 a.m.) and ends on 18th September, 2014 (6.00 p.m.). During this period, shareholders’ of the company, holding shares either in physical form or in dematerialized form, as on the cut-off date 08th August, 2014 may cast their votes electronically. 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.
 - vii. 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 of 08th August, 2014.
 - viii. The company has appointed Sri K Sriram, Practicing Company Secretary (CP No.2215) as Scrutiniser for conducting the e-voting process in a fair and transparent manner.
 - ix. The Scrutiniser shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two witnesses not in the employment of the company and make a Scrutiniser’s Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
 - x. The results declared along with the Scrutiniser’s Report shall be placed on the company’s website www.sundram.com and on the website of NSDL within two (2) days of passing of the resolutions at the AGM of the company and communicated to Stock Exchanges.

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STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

Item No. 4

Sri R Ramakrishnan is a Non-Executive Independent Director of the Company. He is also a member of the Audit Committee. He joined the Board during June 2003. Sri R Ramakrishnan is a Director, whose period of office is liable to determination by retirement of directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956. In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Sri R Ramakrishnan is proposed to be appointed as a non-executive and Independent Director for a term of three (3) consecutive years from 22nd September, 2014 to 21st September, 2017 on such remuneration by way of fees and other remuneration as may be payable, reimbursement of expenses for participation in the meetings of the board and / or committees as determined by the board and / or committee from time to time. The Company has received a notice in writing under the provisions of Section 160 of the Companies Act, 2013, along with requisite deposit amount, from a member proposing the candidature of Sri R Ramakrishnan for the office of Independent Director, to be appointed as such under the provisions of Section 149 of the Companies Act, 2013.

The Company has received from Sri R Ramakrishnan, a declaration to the effect that he meets the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013.

The proposed resolution seeks the approval of members for the appointment of Sri R Ramakrishnan as an Independent Director of the Company pursuant to Section 149 and other applicable provisions of the Companies Act, 2013 and Rules made thereunder. Sri R Ramakrishnan is not liable to retire by rotation.

In the opinion of the Board of Directors, Sri R Ramakrishnan, the Independent Director proposed to be appointed, fulfils the conditions specified in the Act and the Rules made thereunder and he is independent of the management. A copy of the *draft* letter for the appointment of Sri R Ramakrishnan as an Independent Director setting out the terms and conditions is available for inspection without any fee by the members at the Company's registered office during the normal business hours on working days up to the date of the AGM.

The Board of Directors considers that in view of the managerial experience of Sri R Ramakrishnan in manufacturing, marketing, finance and banking, his continued association as an Independent Director would be beneficial to the company.

Except Sri R Ramakrishnan, being an appointee, none of the Directors / Key Managerial Personnel of the company and their relatives is concerned or interested in the resolution.

The Board recommends the resolution set forth in Item No.4 of the notice for approval by shareholders.

Item No. 5

Sri M Raghupathy is a Non-Executive Independent Director of the Company. He joined the Board during May 2006. Sri M Raghupathy is a Director, whose period of office is liable to determination by retirement of directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956. In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Sri M Raghupathy, is proposed to be appointed as a non-executive and Independent Director for a term of three (3) consecutive years from 22nd September, 2014 to 21st September, 2017 on such remuneration by way of fees and other remuneration as may be payable, reimbursement of expenses for participation in the meetings of the board and / or committees as determined by the board and / or committee from time to time. The Company has received a notice in writing under the provisions of Section 160 of the Companies Act, 2013, along with requisite deposit amount, from a member proposing the candidature of Sri M Raghupathy for the office of Independent Director, to be appointed as such under the provisions of Section 149 of the Companies Act, 2013.

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The Company has received from Sri M Raghupathy, a declaration to the effect that he meets the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013.

The proposed resolution seeks the approval of members for the appointment of Sri M Raghupathy as an Independent Director of the Company pursuant to Section 149 and other applicable provisions of the Companies Act, 2013 and Rules made thereunder. Sri M Raghupathy is not liable to retire by rotation.

In the opinion of the Board of Directors, Sri M Raghupathy, the Independent Director proposed to be appointed, fulfils the conditions specified in the Act and the Rules made thereunder and he is independent of the management. A copy of the *draft* letter for the appointment of Sri M Raghupathy as an Independent Director setting out the terms and conditions is available for inspection without any fee by the members at the Company's registered office during the normal business hours on working days up to the date of the AGM.

The Board of Directors considers that in view of the experience of Sri M Raghupathy in general administration, the company would gain from his continued association as an Independent Director.

Except Sri M Raghupathy, being an appointee, none of the Directors / Key Managerial Personnel of the company and their relatives is concerned or interested in the resolution.

The Board recommends the resolution set forth in Item No.5 of the notice for approval by shareholders.

Item No. 6

Sri C V Karthik Narayanan is a Non-Executive Independent Director of the Company. He joined the Board during May 2006. Sri C V Karthik Narayanan is a Director, whose period of office is liable to determination by retirement of directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956. In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Sri C V Karthik Narayanan is proposed to be appointed as a non-executive and Independent Director for a term of four (4) consecutive years from 22nd September, 2014 to 21st September, 2018 on such remuneration by way of fees and other remuneration as may be payable, reimbursement of expenses for participation in the meetings of the board and / or committees as determined by the board and / or committee from time to time. The Company has received a notice in writing under the provisions of Section 160 of the Companies Act, 2013, along with requisite deposit amount, from a member proposing the candidature of Sri C V Karthik Narayanan for the office of Independent Director, to be appointed as such under the provisions of Section 149 of the Companies Act, 2013.

The Company has received from Sri C V Karthik Narayanan, a declaration to the effect that he meets the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013.

The proposed resolution seeks the approval of members for the appointment of Sri C V Karthik Narayanan as an Independent Director of the Company pursuant to Section 149 and other applicable provisions of the Companies Act, 2013 and Rules made thereunder. Sri C V Karthik Narayanan is not liable to retire by rotation.

In the opinion of the Board of Directors, Sri C V Karthik Narayanan, the Independent Director proposed to be appointed, fulfils the conditions specified in the Act and the Rules made thereunder and he is independent of the management. A copy of the *draft* letter for the appointment of Sri C V Karthik Narayanan as an Independent Director setting out the terms and conditions is available for inspection without any fee by the members at the Company's registered office during the normal business hours on working days up to the date of the AGM.

The Board of Directors considers that in view of the experience of Sri C V Karthik Narayanan in engineering and general management, his continued association as an Independent Director would be beneficial to the company.

Except Sri C V Karthik Narayanan, being an appointee, none of the Directors / Key Managerial Personnel of the company and their relatives is concerned or interested in the resolution.

The Board recommends the resolution set forth in Item No.6 of the notice for approval by shareholders.

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Item No. 7

Sri V Narayanan is a Non-Executive Independent Director of the Company. He is also a member of the Audit Committee. He joined the Board in September 1994. Sri V Narayanan is a Director, whose period of office is liable to determination by retirement of directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956. In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Sri V Narayanan is proposed to be appointed as a non-executive and Independent Director for a term of four (4) consecutive years from 22nd September, 2014 to 21st September, 2018 on such remuneration by way of fees and other remuneration as may be payable, reimbursement of expenses for participation in the meetings of the board and / or committees as determined by the board and / or committee from time to time. The Company has received a notice in writing under the provisions of Section 160 of the Companies Act, 2013, along with requisite deposit amount, from a member proposing the candidature of Sri V Narayanan for the office of Independent Director, to be appointed as such under the provisions of Section 149 of the Companies Act, 2013.

The Company has received from Sri V Narayanan, a declaration to the effect that he meets the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013.

The proposed resolution seeks the approval of members for the appointment of Sri V Narayanan as an Independent Director of the Company pursuant to Section 149 and other applicable provisions of the Companies Act, 2013 and Rules made thereunder. Sri V Narayanan will not be liable to retire by rotation.

In the opinion of the Board of Directors, Sri V Narayanan, the Independent Director proposed to be appointed, fulfils the conditions specified in the Act and the Rules made thereunder and he is independent of the management. A copy of the *draft* letter for the appointment of Sri V Narayanan as an Independent Director setting out the terms and conditions is available for inspection without any fee by the members at the Company's registered office during the normal business hours on working days up to the date of the AGM.

The Board of Directors considers that his vast expertise and knowledge will be of immense benefit to the company and hence it is desirable to continue to avail the services of Sri V Narayanan as an Independent Director.

Except Sri V Narayanan, being an appointee, none of the Directors / Key Managerial Personnel of the company and their relatives is concerned or interested in the resolution.

The Board recommends the resolution set forth in Item No.7 of the notice for approval by shareholders.

Item No. 8

Sri R Srinivasan is a Non-Executive Independent Director of the Company. He is also the Chairman of the Audit Committee. He joined the Board in March 1995. Sri R Srinivasan, whose period of office is liable to determination by retirement of directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956. In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Sri R Srinivasan is proposed to be appointed as a non-executive and Independent Director for a consecutive term commencing from 22nd September, 2014 to 21st September, 2019 on such remuneration by way of fees and other remuneration as may be payable, reimbursement of expenses for participation in the meetings of the board and / or committees as determined by the board and / or committee from time to time. The Company has received a notice in writing under the provisions of Section 160 of the Companies Act, 2013, along with requisite deposit amount, from a member proposing the candidature of Sri R Srinivasan for the office of Independent Director, to be appointed as such under the provisions of Section 149 of the Companies Act, 2013.

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The Company has received from Sri R Srinivasan, a declaration to the effect that he meets the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013.

The proposed resolution seeks the approval of members for the appointment of Sri R Srinivasan as an Independent Director of the Company pursuant to Section 149 and other applicable provisions of the Companies Act, 2013 and Rules made thereunder. Sri R Srinivasan will not be liable to retire by rotation.

In the opinion of the Board of Directors, Sri R Srinivasan, the Independent Director proposed to be appointed, fulfils the conditions specified in the Act and the Rules made thereunder and he is independent of the management. A copy of the *draft* letter for the appointment of Sri R Srinivasan as an Independent Director setting out the terms and conditions is available for inspection without any fee by the members at the Company's registered office during the normal business hours on working days up to the date of the AGM.

The Board of Directors considers that in view of the managerial experience and expertise of Sri R Srinivasan, his continued association with the company would be of immense benefit and hence propose to avail the services of Sri R Srinivasan as an Independent Director.

Except Sri R Srinivasan, being an appointee, none of the Directors / Key Managerial Personnel of the company and their relatives is concerned or interested in the resolution.

The Board recommends the resolution set forth in Item No.8 of the notice for approval by shareholders.

Item No. 9

After incorporation of the Company on 10th December, 1962, the existing Articles of Association ("AoA") of the Company was amended earlier during the years 1994, 1999, 2001 and 2006. The existing AoA are based on the Companies Act, 1956. The new Companies Act, 2013 now having been notified with most of the sections coming into effect vide MCA notifications dated 12th September, 2013 and 26th March, 2014, the existing AoA of the Company require alteration or deletions in several articles. Hence, it is considered necessary to fully replace the existing Regulations by a new set of Regulations. Table F of the Companies Act, 2013 sets out the model articles of association for a Company limited by shares. The proposed new Regulations are based on the said Table 'F'. The proposed new draft AoA is being uploaded on the Company's website www.sundram.com for perusal by the shareholders. Copy of the new draft AoA is available for inspection for members during office hours or members may request for a copy of the same.

None of the Directors / Key Managerial Personnel of the Company / their relatives is, in any way, concerned or interested, in the resolution set forth in Item No.9 of the Notice.

The Board commends the Special Resolution set out at Item No.9 of the Notice for approval by the shareholders.

Item No.10

The Shareholders of the Company in their Annual General Meeting held on 18th August, 2005 authorized the Board of Directors pursuant to erstwhile Section 293(1) (d) of the Companies Act, 1956 to borrow (apart from temporary loans to be obtained from the Company's bankers in the ordinary course of business) up to a limit of Rs 1,000 crores (Rupees One thousand crores only) in excess of the aggregate of the paid-up capital and free reserves of the Company. As per Section 180(1)(c) of the Companies Act, 2013, which has been made effective 12th September, 2013 the Board of Directors of the Company shall not borrow funds unless the same is authorized by the shareholders of the Company by way of Special Resolution. Further, the Ministry of Corporate Affairs vide its General Circular no. 04 /2014 dated 25th March, 2014 has clarified that the resolution passed under

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Section 293 of the Companies Act, 1956 prior to 12th September, 2013 will be regarded as sufficient compliance of the requirements of Section 180 of the Companies Act, 2013 for a period of one year from the date of notification of Section 180 of the Act. In view of the requirements specified above the consent of the members is being sought for authorising the Board of Directors to borrow up to a limit of Rs 1,000 crores (Rupees One thousand crores only) in excess of the aggregate of the paid-up capital and free reserves of the Company.

None of the other directors / Key Managerial Personnel of the Company is interested or concerned in the resolution.

The Board recommends the special resolution, as set out in Item No.10 of the notice.

Item No.11

The Company would be raising borrowings viz., term loans, working capital loans - both short-term and long-term, foreign currency borrowing(s) including external commercial borrowing(s), buyer's credit or such other loan(s), non-convertible debentures etc., in the ordinary course of business. Generally, the terms of sanction of such borrowings, require the Company to create a mortgage / charge on the moveable and immovable properties of the Company in favour of the lenders, as set out in the resolution under Item No.11 of the Notice. Creation of such mortgage / charge, as mentioned above, may be construed as "otherwise" disposing of the undertaking of the Company within the meaning of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 and the Rules thereunder. Hence, approval of the Members is sought by way of a Special Resolution under the applicable provisions of the Companies Act, 2013 and the Rules made thereunder for mortgaging / charging the movable and immovable properties of the Company for the proposed borrowings.

None of the Directors / Key Managerial Personnel of the Company and their relatives is concerned or interested in the resolution.

The Board recommends the Resolution for approval by the shareholders of the Company.

Chennai
August 7, 2014

By Order of the Board

V G JAGANATHAN
Chief Financial Officer & Company Secretary