

# SHANTHI GEARS LIMITED

304-A, Trichy Road, Singanallur, Coimbatore-641005

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CIN : L29130TZ1972PLC000649.

## NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the **43<sup>rd</sup> Annual General Meeting** of the Members of Shanthi Gears Limited will be held on **Monday, the 25<sup>th</sup> day of July, 2016 at 2.00 p.m.** at the Registered Office of the Company at 304-A, Trichy Road, Singanallur, Coimbatore - 641 005 to transact the following business.

## A G E N D A

### Ordinary Business

#### 1. Adoption of Financial Statements

To consider and if deemed fit, to pass, with or without modification(s), the following resolution as an ORDINARY RESOLUTION :

RESOLVED that the Audited Financial Statements of the Company for the Financial Year ended 31<sup>st</sup> March, 2016, the Report of the Board of the Director's and the Auditor's Report thereon be and are hereby received and adopted.

#### 2. Confirmation of Interim Dividend

To consider and if deemed fit, to pass, with or without modification(s), the following resolution as an ORDINARY RESOLUTION :

RESOLVED that an interim dividend of ₹0.50 per share declared by the Board of Directors of the Company on 27<sup>th</sup> January, 2016, be and is hereby approved as final dividend for the year ended 31<sup>st</sup> March, 2016.

#### 3. Re-appointment of Mr. M M Murugappan as Director

To consider and if deemed fit, to pass, with or without modification(s), the following resolution as an ORDINARY RESOLUTION :

RESOLVED that pursuant to the provisions of Section 152 and other applicable provisions, if any, of the Companies Act, 2013, the Rules thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. M M Murugappan (DIN 00170478), Director, who retires by rotation at the 43<sup>rd</sup> Annual General Meeting, be and is hereby re-appointed as Director of the Company.

**4. Ratification of Auditors appointment and to fix their remuneration.**

To consider and if deemed fit, to pass, with or without modification(s), the following resolution as an ORDINARY RESOLUTION :

RESOLVED that pursuant to Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules thereunder, the appointment of M/s. Deloitte Haskins & Sells, Chartered Accountants (Firm Registration No.008072S) as statutory auditors until the conclusion of AGM for the year 2018, be and are hereby ratified and confirmed.

FURTHER RESOLVED that a remuneration of ₹ 9.00 Lakhs (including expenses, if any, incurred by them in connection with the said audit) be paid to the Statutory Auditors for the financial year 2016-17.

**Special Business**

**5. To consider and if deemed fit, to pass with or without modification(s), the following resolution as a SPECIAL RESOLUTION :**

RESOLVED that pursuant to Section 149 and read with Section 150, 152 and Schedule IV, other applicable provisions of the Companies Act, 2013, the Rules thereunder (including any statutory modification(s) of re-enactment(s) thereof for the time being in force) and Regulation 25 (2) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, Mr. V Venkiteswaran (DIN 00062246), Director, be and is hereby re-appointed as Independent Director of the Company, not liable to retire by rotation, for a term of one year i.e. from the date of the 43<sup>rd</sup> Annual General Meeting (2016) till the date of the 44<sup>th</sup> Annual General Meeting (2017) of the Company [both dates inclusive].

**6. Ratification of Remuneration to Cost Auditor.**

To consider and if deemed fit, to pass, with or without modification(s), the following resolution as an ORDINARY RESOLUTION :

RESOLVED that pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 and The Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the remuneration payable during the financial year 2016-17 to Mr. B Venkateswar, Cost Accountant having Membership No. 27622 and Registration No.100753 appointed by the Board of Directors of the Company to conduct the audit of the cost records of the company for the financial year 2016-17, amounting to ₹ 50,000/- (Rupees Fifty Thousand Only) as also the payment of service tax as applicable be and is hereby ratified and confirmed.

**By Order of the Board**

Coimbatore  
27<sup>th</sup> April, 2016

**C Subramaniam**  
Company Secretary

**NOTES :**

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies to attend and vote for or against a resolution instead of himself / herself. Such proxy need not be a member of the Company. A person can act as a proxy on behalf of members not exceeding 50 and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. In case a proxy is proposed to be appointed by a member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder. Proxy, in order to be effective, must be received by the Company not less than 48 hours before the Meeting. Corporate members are requested to send a duly certified copy of the Board Resolution authorizing their representatives to attend and vote at the Meeting.
2. Explanatory Statement of material facts pursuant to Section 102 of the Companies Act, 2013 for Item Nos 5& 6 of the Notice is annexed hereto.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 16<sup>th</sup> July, 2016 to 25<sup>th</sup> July, 2016 (Both days inclusive).
4. Members are requested to intimate the Registrar and Transfer Agent viz., **S.K.D.C. Consultants Limited, Kanapathy Towers, 3<sup>rd</sup> Floor, 1391/A-1, Sathy Road, Ganapathy, Coimbatore-641006** (RTA), of any change in their address/details about their Bank Account number, Name of the Bank, Bank's Branch name and address to enable the Company to make electronic remittance of dividend or alternatively, for incorporating in the dividend warrants., For shares held in dematerialised form, change in address/Bank account particulars may be intimated directly to the Member's Depository Participant(s).
5. As per the requirements of Section 124 (5) of the Companies Act, 1956, the Company has transferred unclaimed dividends upto the year 2007-08 to the Investor Education and Protection Fund constituted by the Central Government.
6. Members holding shares in physical form are encouraged to nominate a person to whom their shareholding in the Company shall vest in the event of their demise. Nomination forms will be sent to the Members, on request, by the RTA.
7. As per SEBI directive, it is mandatory for the transferees to furnish self-attested copy of the PAN (Permanent Account Number) card to the Company/RTA for registration of transfer / transmission / transposition of shares in the physical form.
8. The Annual Report 2016, Notice of the 43<sup>rd</sup> AGM with instructions for e-voting, along with the Attendance Slip and Proxy Form are being sent by electronic mode only to all the members whose email addresses are registered with the Company / Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email addresses, physical copies of the above are being sent.
9. Instructions on e-voting is annexed to this notice.

**By Order of the Board**

Coimbatore  
27<sup>th</sup> April, 2016

**C Subramaniam**  
Company Secretary

## ANNEXURE TO THE NOTICE

### Details of the Directors seeking re-appointment at the 43<sup>rd</sup> Annual General Meeting Vide Item Nos. 3 & 5 of the Notice dated 27<sup>th</sup> April, 2016.

(Pursuant to Regulation 36 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

The resume in brief and other details of the Director, whose appointment is for the consideration of the members at the ensuing 43<sup>rd</sup> Annual General Meeting, are furnished hereunder :

#### Mr. M M Murugappan

Mr. M M Murugappan holds a Masters degree in Chemical Engineering from the University of Michigan. He is the Chairman of the Company. He is also a member of Audit Committee of the Company. There is no *inter-se* relationship between Mr. M M Murugappan and other Directors.

Details of other Directorships and memberships in Audit and Stakeholders Relationship Committee held by him are as follows:

<b>Chairman</b> Carborundum Universal Ltd. Wendt India Ltd. Tube Investments of India Ltd. Murugappa Morgan Thermal Ceramics Ltd.	<b>Committee Membership</b>
<b>Vice Chairman</b> Murugappa Holdings Ltd.	<b>Audit Committee</b>
<b>Director</b> Cholamandalam Investment and Finance Company Ltd. Ambadi Investments Private Ltd. Cyient Ltd. Mahindra & Mahindra Ltd. Idea Lab (India) Private Ltd. M M Muthiah Research Foundation IIT Madras Research Park	<b>Chairman</b> Cyient Ltd.
	<b>Member</b> Mahindra & Mahindra Ltd. Murugappa Holdings Ltd. Ambadi Investments Private Ltd.
	<b>Stakeholders Relationship Committee</b>
	<b>Chairman</b> Carborundum Universal Ltd. Wendt India Ltd. Tube Investments of India Ltd.

Mr. M M Murugappan does not hold any equity shares of the Company

#### Mr. V Venkiteswaran

Mr. V Venkiteswaran is a Mechanical Engineer from the University of Madras. He is a member of Audit Committee of the company. He does not held Directorship in other companies. He holds 5000 equity shares of the company. There is no *inter-se* relationship between Mr. V Venkiteswaran and other Directors.

**By Order of the Board**

Coimbatore  
27<sup>th</sup> April, 2016

**C Subramaniam**  
Company Secretary

**Explanatory Statement in respect of the Special Business under item Nos. 5 & 6 (pursuant to Section 102 of the Companies Act, 2013) of the Notice dated 27<sup>th</sup> April, 2016**

**Item No.5**

Mr. V Venkiteswaran is a Non - Executive Independent Director of the Company. He joined the Board of Directors of the Company in January, 2013.

Mr. V Venkiteswaran, retires at the ensuing Annual General Meeting. It is proposed that Mr. V Venkiteswaran to be re-appointed as an Independent Director for one more year i.e. from the date of the ensuing 43<sup>rd</sup> Annual General Meeting (2016) until the conclusion of 44<sup>th</sup> Annual General Meeting (2017). A notice has been received from a member proposing Mr. V Venkiteswaran as a candidate for the office of Director of the Company.

In the opinion of the Board, Mr. V Venkiteswaran fulfils the conditions specified in the Companies Act, 2013 and Rules made thereunder for his re-appointment as an Independent Director of the Company and is independent of the Management. Copy of the draft letter for appointment of Mr. V Venkiteswaran as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day.

The Board consider that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. V Venkiteswaran as an Independent Director. Accordingly, the Board recommends the resolution in relation to re-appointment of Mr. V Venkiteswaran as an Independent Director, for approval by the shareholders of the Company.

**Memorandum of Interest**

Except Mr. V Venkiteswaran, being the appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise in the aforesaid Ordinary Resolution.

**Item No.6**

The Board of Directors of the Company on the recommendation of Audit Committee, approved the appointment and remuneration of Mr. B Venkateswar, Cost Accountant, to conduct the audit of cost records of the company for the financial year 2016 - 17.

In terms of the provisions of Section 148(3) of the Companies Act, 2013 read with Rules 14 (a) (ii) of the Companies (Audit and Accounts) Rules, 2014, the remuneration payable to the Cost Auditor is to be rectified by the Members of the Company. Accordingly, the Members are requested to ratify the remuneration payable to the Cost Auditor during the financial year 2016-17 as set out in the resolution for the aforesaid service to be rendered by him.

**Memorandum of Interest**

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise in the aforesaid Ordinary Resolution.

**By Order of the Board**

Coimbatore  
27<sup>th</sup> April, 2016

**C Subramaniam**  
Company Secretary

## INSTRUCTIONS FOR ELECTRONIC VOTING ( ' e - voting ' )

Pursuant to provisions of section 108 of the Companies Act, 2013, read with the Companies (Management and Administration) Rules, 2014 as substituted by the Companies (Management and Administration) Amendment Rules, 2015, the Company is pleased to offer e-voting facility ("remote e-voting") to the members to cast their votes electronically on all resolutions set forth in the Notice convening the 43<sup>rd</sup> Annual General Meeting to be held on Monday, July 25, 2016, at 2:00 p.m. The Company has engaged the services of National Securities Depository Limited (NSDL) to provide the e-voting facility.

### Steps for E-Voting :

The e-voting facility is available at the link <https://www.evoting.nsdl.com>.

- 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 "Shanthi Gears Ltd".
  - (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 [scrutinizersshanthigears@gmail.com](mailto:scrutinizersshanthigears@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)
- B. In case a Member receives physical copy of the notice of AGM, initial password is provided at the bottom of attendance slip / proxy form for the AGM.
- C. 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](http://www.evoting.nsdl.com) or call on toll free no. : 1800-222-990.
- D. 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.
- E. 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).

## General instructions

1. The e-voting period commences on 22<sup>nd</sup> July, 2016 (10:00 a.m. IST) and ends on 24<sup>th</sup> July, 2016 (5:00 p.m. IST). During this period, shareholders of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date of 19<sup>th</sup> July, 2016, may cast their vote electronically. The e-voting module shall also 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.
2. Mr. P Eswaramoorthy, Practicing Company Secretary (Membership No. FCS 6510), has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
3. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
4. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
5. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on 19<sup>th</sup> July, 2016.
6. The Scrutinizer shall after the conclusion of voting at the general meeting, 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 Forty Eight Hours 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.
7. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company [www.shanthigears.com](http://www.shanthigears.com) and the website of NSDL immediately after declaration of results by Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the Stock Exchanges.

All documents referred to in the accompanying Notice and the Statement pursuant to Section 102 (1) of the Companies Act, 2013, will be available for inspection at the Registered Office of the Company during business hours on all working days up to the date of declaration of the result of the 43<sup>rd</sup> Annual General Meeting of the Company.

**By Order of the Board**

Coimbatore  
27<sup>th</sup> April, 2016

**C Subramaniam**  
Company Secretary



