

# SHANTHI GEARS LIMITED

Regd. Office : 304-A, Trichy Road, Singanallur, Coimbatore-641 005, Tamil Nadu.

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Website : www.shanthigears.com E-mail : cs@shanthigears.murugappa.com

CIN : L29130TZ1972PLC000649.

## NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the **44<sup>th</sup> Annual General Meeting** of the Members of Shanthi Gears Limited will be held on **Wednesday, the 26<sup>th</sup> day of July, 2017** at **4.00 p.m.** at the Registered Office of the Company at 304-A, Trichy Road, Singanallur, Coimbatore-641005 to transact the following business :

### 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, 2017, the Report of the Board of Directors and the Auditor's Report thereon be and are hereby received and adopted.

#### 2. Declaration of Dividend

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

RESOLVED that out of profits for the financial year ended 31<sup>st</sup> March, 2017, a dividend at the rate of ₹0.75 (Paise Seventy Five Only) per share on the equity capital of the Company, as recommended by the Board of Directors, be and the same is hereby declared for the financial year 2016-17 and that the said dividend be paid to the Members whose names appear on the Register of Members as on 26<sup>th</sup> July, 2017 or their mandatees.

RESOLVED FURTHER that in respect of shares held in electronic form, the dividend be paid on the basis of beneficial ownership as per details furnished by the Depositories for this purpose.

#### 3. Re-appointment of Mr. L Ramkumar 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 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. L Ramkumar (DIN 00090089), Director, who retires by rotation at the 44<sup>th</sup> Annual General Meeting, be and is hereby re-appointed as Director of the Company.

#### **4. Ratification of Auditor's 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 (including any statutory modification(s) or re-enactment thereof for the time being in force), the Company hereby ratifies the appointment of M/s. Deloitte Haskins & Sells, Chartered Accountants (Firm Registration No.008072S) as the Statutory Auditor of the Company, to hold office from the conclusion of this (44<sup>th</sup>) Annual General Meeting until the conclusion of the next (45<sup>th</sup>) Annual General Meeting of the Company on a remuneration of ₹ 10 Lakhs for the financial year 2017-18 (including expenses, if any, incurred by them in connection with the said audit but excluding service tax or other applicable taxes, as may be applicable).

#### **Special Business**

#### **5. Re-appointment of Mr. C R Swaminathan as an Independent Director**

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 and other applicable provisions of the Companies Act, 2013, the Rules thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and Regulation 25(2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, Mr. C R Swaminathan (DIN 00002169), 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 44<sup>th</sup> Annual General Meeting (2017) till the date of the 45<sup>th</sup> Annual General Meeting (2018) 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 Rules thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the remuneration payable during the financial year 2017-18 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 2017-18, amounting to ₹ 60,000/- (Rupees Sixty Thousand Only) excluding service tax or other applicable taxes, as may be applicable, be and is hereby ratified and confirmed.

RESOLVED FURTHER that the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this Resolution.

**By Order of the Board**

Coimbatore  
3<sup>rd</sup> May, 2017

**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. 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 15<sup>th</sup> July, 2017 to 26<sup>th</sup> July, 2017 (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 Sections 205A and 205C of the Companies Act, 1956, the Company has transferred unclaimed dividends up to the year 2008-09 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 2017, Notice of the 44<sup>th</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 are annexed to this notice.

**By Order of the Board**

Coimbatore  
3<sup>rd</sup> May, 2017

**C Subramaniam**  
Company Secretary

## ANNEXURE TO THE NOTICE

### Details of the Directors seeking re-appointment at the 44<sup>th</sup> Annual General Meeting vide item Nos. 3 & 5 of the Notice dated 3<sup>rd</sup> May, 2017

(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 44<sup>th</sup> Annual General Meeting, are furnished hereunder:

#### Mr. L Ramkumar

Mr. L Ramkumar is a Cost Accountant and has a Post Graduate Diploma in Management from Indian Institute of Management, Ahmedabad. He joined the Board on 3<sup>rd</sup> September, 2012. He has over 37 years of rich and varied experience in Management including 25 years in Tube Investments of India Limited.

Mr. L Ramkumar is the Chairman of the Stakeholders Relationship Committee of the Company.

Details of other Directorships and memberships in Audit and Stakeholders Relationship Committee held by Mr. L Ramkumar are as follows:

<b><u>Directorships</u></b>	<b><u>Committee Membership</u></b>
<b>Chairman</b> TI Financial Holdings Limited Financiere C 10 S.A.S.	<b>Stakeholders Relationship Committee Member</b> Tube Investments of India Limited
<b>Managing Director</b> Tube Investments of India Limited ( <i>Listed entity</i> ) TI Tsubamex Private Limited	
<b>Director</b> Cholamandalam MS Risk Services Limited TI Absolute Concepts Private Limited	

Mr. L Ramkumar does not hold any equity shares of the Company.

Mr. L Ramkumar is not related to the other Directors and Key Managerial Personnel of the Company, and their relatives. Except Mr. L Ramkumar, none of the Directors and Key Managerial Personnel, and their relatives, is concerned or interested, financially or otherwise, in the Resolution relating to his re-appointment.

The other details relating to Mr. L Ramkumar pursuant to the Secretarial Standard on General Meetings appear in the Annual Report under Director's Profile, Corporate Governance Report and annexure thereto.

**Mr. C R Swaminathan**

Mr. C R Swaminathan holds a graduate degree in Agriculture and a Masters degree in Business Administration. He joined the Board on 3<sup>rd</sup> September, 2012.

Mr. C R Swaminathan is Chairman of Audit Committee and member of Stakeholders Relationship Committee of the Company.

Details of other Directorships and memberships in Audit and Stakeholders Relationship Committee held by Mr. C R Swaminathan are as follows:

<u>Directorships</u>	<u>Committee Memberships</u>
<b>Director</b> Pricol Limited ( <i>Listed entity</i> ) Magna Electrocastings Limited ( <i>Listed entity</i> ) Chandra Textiles Private Limited Rajalakshmi Machine Works Private Limited Bull Machines Private Limited	<b>Audit Committee</b>  <b>Chairman</b> Magna Electrocastings Limited  <b>Member</b> Pricol Limited

Mr. C R Swaminathan holds 5,000 equity shares of the Company.

Mr. C R Swaminathan is not related to the other Directors and Key Managerial Personnel of the Company and their relatives. Except Mr. C R Swaminathan, none of the Directors and Key Managerial Personnel and their relatives, is concerned or interested, financially or otherwise, in the Resolution relating to his re-appointment.

The other details relating to Mr. C R Swaminathan pursuant to the Secretarial Standard on General Meetings appear in the Annual Report under Director's Profile, Corporate Governance Report and annexure thereto.

**By Order of the Board**

Coimbatore  
3<sup>rd</sup> May, 2017

**C Subramaniam**  
Company Secretary

**Statement in respect of the Special Business under item No. 5 & 6 (pursuant to Section 102 of the Companies Act, 2013) of the Notice dated 3<sup>rd</sup> May, 2017**

**Item No.5**

Mr. C R Swaminathan was appointed as Independent Director of the Company at the 41<sup>st</sup> Annual General Meeting held on 26<sup>th</sup> July, 2014.

Mr. C R Swaminathan (69 years) holds a graduate degree in Agriculture and a Masters degree in Business Administration. He joined the Board on 3<sup>rd</sup> September, 2012. He had been associated with the PSG group of institutions as its Chief Executive Officer. He is well experienced in the Foundry Industry and is the Past President of the Institute of Indian Foundrymen. He is also the Past President of the Confederation of Indian Industry (Southern Region).

Mr. C R Swaminathan, retires at the ensuing Annual General Meeting. It is proposed that Mr. C R Swaminathan be re-appointed as an Independent Director for one more year i.e. from the date of the ensuing 44<sup>th</sup> Annual General Meeting (2017) until the conclusion of 45<sup>th</sup> Annual General Meeting (2018). A notice has been received from a member proposing Mr. C R Swaminathan as a candidate for the office of Independent Director of the Company.

In the opinion of the Board, Mr. C R Swaminathan 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. C R Swaminathan 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 considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. C R Swaminathan as an Independent Director. Accordingly, the Board recommends the resolution in relation to re-appointment of

Mr. C R Swaminathan as an Independent Director, for approval by the shareholders of the Company.

The other details relating to Mr. C R Swaminathan pursuant to the Secretarial Standard on General Meetings appear in Annual Report and the Directors' Profile, Board's Report, Corporate Governance Report and annexures thereto.

Except Mr. C R Swaminathan, being the appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives, is concerned or interested, financially or otherwise in the aforesaid Special Resolution.

**Item No.6**

The Board of Directors of the Company on the recommendation of the 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 2017-18.

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 ratified by the Members of the Company. Accordingly, the Members are requested to ratify the remuneration payable to the Cost Auditor during the financial year 2017-18 as set out in the resolution for the aforesaid service to be rendered by him.

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  
3<sup>rd</sup> May, 2017

**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 44<sup>th</sup> Annual General Meeting to be held on Wednesday, July 26, 2017, at 4:00 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 [eswarfcs@gmail.com](mailto:eswarfcs@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 23<sup>rd</sup> July, 2017 (10:00 a.m. IST) and ends on 25<sup>th</sup> July, 2017 (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 20<sup>th</sup> July, 2017, 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 the cut-off date viz., 20<sup>th</sup> July, 2017. However, a person who is a member as on cut-off date should treat this Notice for information purpose only.
6. The Scrutinizer shall after the conclusion of voting at the Annual 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 along with 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 the 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 and including the date of the AGM.

**By Order of the Board**

Coimbatore  
3<sup>rd</sup> May, 2017

**C Subramaniam**  
Company Secretary

