

SHANTHI GEARS LIMITED

Regd. Office : 304-A, Trichy Road, Singanallur, Coimbatore-641005, Tamil Nadu

Tel: 91-422-4545745 Fax: 91-422-4545700

Website: www.shanthigears.com Email: cs@shanthigears.murugappa.com

CIN: L29130TZ1972PLC000649

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the **45th Annual General Meeting** of the Members of Shanthi Gears Limited will be held on **Thursday, the 2nd day of August, 2018 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.

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 31st March, 2018, the Report of the Board of 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 ₹ 1/- (Rupee One Only) per share declared by the Board of Directors of the Company on 6th February, 2018, be and is hereby approved as final dividend for the year ended 31st March, 2018.

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 45th Annual General Meeting, be and is hereby re-appointed as Director of the Company.

4. Re-appointment of Statutory Auditors 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), M/s. Deloitte Haskins & Sells, Chartered Accountants (Firm Registration No.008072S) be and are hereby re-appointed as Statutory Auditors of the Company, to hold office for a period of five consecutive financial years, from the conclusion of the 45th Annual General Meeting (2018) until the conclusion of the 50th Annual General Meeting (2023) of the Company (subject to ratification of the appointment at every Annual General Meeting) on a remuneration of ₹ 10 lakhs for the financial year, 2018-19 plus applicable taxes and reimbursement of out-of-pocket expenses incurred by them in connection with the said audit.

Special Business

5. Appointment of Mr. S K Sundararaman as an Independent 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 Sections 149 read with Schedule IV, 150, 152, 161 and other applicable provisions of the Companies Act, 2013, the Rules thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and in terms of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time, Mr. S K Sundararaman (holding DIN 00002691), Additional Director, who holds office up to the date of this Annual General Meeting, be and is hereby appointed as Independent Director of the Company, not liable to retire by rotation, for a term of five consecutive years i.e., from the date of the 45th Annual General Meeting (2018) till the date of the 50th Annual General Meeting (2023) 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 2018-19 to Mr. B Venkateswar, Cost Accountant having Membership No. 27622 and holding 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 2018-19, amounting to ₹ 60,000/- (Rupees Sixty Thousand Only) plus 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
2nd May, 2018

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 27th July, 2018 to 2nd August, 2018 (Both days inclusive).
4. Members are requested to intimate the Registrar and Transfer Agent viz., **S.K.D.C. Consultants Limited, Kanapathy Towers, 3rd Floor, 1391/A-1, Sathy Road, Ganapathy, Coimbatore-641006, Tamil Nadu (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 of the Companies Act, 2013, the Company has transferred unclaimed dividends up to the year 2009-10 and shares in respect of dividend has not been paid or claimed for seven consecutive years 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 2018, Notice of the 45th 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
2nd May, 2018

C.Subramaniam
Company Secretary

ANNEXURE TO THE NOTICE

Details of the Directors seeking appointment/re-appointment at the 45th Annual General Meeting vide item nos. 3 & 5 of the notice dated 2nd May, 2018

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

The resume in brief and other details of the Directors, whose appointment/re-appointment are for the consideration of the members at the ensuing 45th 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 3rd September, 2012. He has over 38 years of rich and varied experience in Management including 26 years in Tube Investments of India Limited. He is the Chairman of the Company.

Mr. L Ramkumar is the Chairman of Stakeholders Relationship Committee and Member of Corporate Social Responsibility Committee and Share Transfer Committee of the Company.

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

<p>Chairman Financiere C 10 S.A.S.</p> <p>Managing Director Tube Investments of India Limited (Listed Entity) TI Tsubamex Pvt. Ltd.</p> <p>Director Cholamandalam MS Risk Services Ltd. TI Absolute Concepts Private Limited Great Cycles (Private) Limited, Srilanka Creative Cycles (Private) Limited, Srilanka</p>	<p>Committee Membership</p> <p>Stakeholders Relationship Committee Member Tube Investments of India Limited</p> <p>Corporate Social Responsibility Committee Member Tube Investments of India Limited</p> <p>Risk Management Committee Member Tube Investments of India Limited</p> <p>Shares & Debentures Committee Member Tube Investments of India Limited</p> <p>Loans Committee Member Tube Investments of India Limited</p>
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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. S K Sundararaman

Mr. S K Sundararaman holds a Masters degree in Business Administration from Cambridge University, United Kingdom. He joined the Board on 6th February, 2018.

Details of other Directorships and memberships in Audit, Stakeholders Relationship Committee and other Committees held by Mr. S K Sundararaman are as follows:

<p>Managing Director Shiva Texyarn Limited (Listed Entity)</p> <p>Director Shiva Mills Limited (Listed Entity) S K S Agencies Limited Vedanayagam Hospitals Limited Abirami Ecoplast Private Limited Sundar Ram Enterprise Private Limited L K Distributers Private Limited Abirami Distributers Private Limited Indian Technical Textile Association</p>	<p>Committee Membership</p> <p>Audit Committee Member Shiva Texyarn Limited Shiva Mills Limited</p> <p>Stakeholders Relationship Committee Member Shiva Mills Limited</p> <p>Nomination & Remuneration Committee Member Shiva Mills Limited</p> <p>Share Transfer Committee Member Shiva Texyarn Limited Shiva Mills Limited</p> <p>Corporate Social Responsibility Committee Member Shiva Texyarn Limited</p>
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Mr. S K Sundararaman does not hold any equity shares of the Company

Mr. S K Sundararaman is not related to the other Directors and Key Managerial Personnel of the Company, and their relatives. Except Mr. S K Sundararaman, 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. S K Sundararaman 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
2nd May, 2018

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 2nd May, 2018

Item No.5

The Board of Directors at their meeting held on 6th February, 2018 appointed Mr. S K Sundararaman as an Additional Director (Non-Executive Independent Director) of the Company. He will hold office up to the ensuing 45th Annual General Meeting pursuant to Section 161 of the Companies Act, 2013 (“the Act”) and, being eligible, in terms of Section 149 and other applicable provisions of the Act and Rules made thereunder, he will be seeking election/appointment as Independent Director for five consecutive years i.e from the date of 45th Annual General Meeting (2018) till the date of 50th Annual General Meeting (2023). A notice has been received from a Member proposing Mr. S K Sundararaman as a candidate for the office of Director of the Company.

In the opinion of the Board, Mr. S K Sundararaman fulfils the conditions specified in the Companies Act, 2013 and Rules made thereunder for his appointment as an Independent Director of the Company and is independent of the Management. Copy of the draft letter for appointment of Mr. S K Sundararaman 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 Mr. S K Sundararaman’s continued association would be of immense benefit to the Company and it is desirable to avail his services as an Independent Director. Accordingly, the Board recommends the resolution in relation to the appointment of Mr. S K Sundararaman as an Independent Director, for approval by the shareholders of the Company.

The other details relating to Mr. S K Sundararaman pursuant to the Secretarial Standard on General Meetings appear in the Annual Report under Director’s Profile, Corporate Governance Report and Annexure thereto.

Except Mr. S K Sundararaman, 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 Special 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 2018-19.

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 2018-19 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
2nd May, 2018

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 45th Annual General Meeting to be held on Thursday, August 2, 2018, 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 way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1 : Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>

Step 2 : Cast your vote electronically on NSDL e-Voting system.

Details on Step 1 is mentioned below:

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Your password details are given below:
- If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
 - How to retrieve your 'initial password'?
- If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - If your email ID is not registered, initial password is provided at the bottom of attendance slip/proxy form for the AGM sent to you on your postal address .
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
- Click on "Forgot User Details/ Password?"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN,your name and your registered address.
- After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
 - Now, you will have to click on "Login" button.
 - After you click on the "Login" button, Home page of e-Voting will open.
- Details on Step 2 is given below:**
- How to cast your vote electronically on NSDL e-Voting system?
- After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
 - After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
 - Select "EVEN" of company for which you wish to cast your vote.
 - Now you are ready for e-Voting as the Voting page opens.
 - Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
 - Upon confirmation, the message "Vote cast successfully" will be displayed.
 - You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
 - Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General instructions

1. 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. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to eswarfcs@gmail.com with a copy marked to evoting@nsdl.co.in.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password?” or “Physical User Reset Password?” option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in
4. The e-voting period commences on 30th July, 2018 (10:00 a.m. IST) and ends on 1st August, 2018 (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 26th July, 2018, 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.
5. 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.
6. 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.
7. 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.
8. 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., 26th July, 2018. However, a person who is a Member as on cut-off date should treat this Notice for information purpose only.
9. 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.
10. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company 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 45th Annual General Meeting of the Company.

By Order of the Board

Coimbatore
2nd May, 2018

C.Subramaniam
Company Secretary

Route Map

