

# 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 **42<sup>nd</sup> Annual General Meeting** of the Members of Shanthi Gears Limited will be held on **Thursday, the 30<sup>th</sup> day of July, 2015 at 4.00 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 Director's Report, the Audited Statement of Profit for the financial year ended 31<sup>st</sup> March, 2015 and the Balance Sheet as at that date and the Auditors' 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 2<sup>nd</sup> February, 2015, be and is hereby approved as final dividend for the year ended 31<sup>st</sup> March, 2015.

#### 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 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. L Ramkumar (DIN 00090089), Director, who retires by rotation at the 42<sup>nd</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 2015-16.

## Special Business

### 5. Appointment of Ms. Soundara Kumar 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 Section 149 read with Sections 150, 152 and Schedule IV, and 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 Clause 49 of the Listing Agreement, as amended from time to time, Ms. Soundara Kumar (DIN 01974515), Director, 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 42<sup>nd</sup> Annual General Meeting (2015) till the date of the 47<sup>th</sup> Annual General Meeting (2020) 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 2015-16 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 2015-16, amounting to ₹ 50,000/- (Rupees Fifty Thousand Only) as also the payment of service tax as applicable be and is hereby ratified and confirmed.

### 7. Payment of Commission to Non-Executive Directors.

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

RESOLVED that in accordance with the provisions of Section 197 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) (hereinafter referred to as "the Act") read with the Articles of Association of the Company, the Directors of the Company (including the alternate Directors), who are neither in the whole-time employment of the Company nor the Managing Director(s)/Manager of the Company, be paid, in respect of each of the financial years of the Company, on and from the financial year which commenced from the 1<sup>st</sup> of April, 2015 up to the financial year ending on the 31<sup>st</sup> March, 2020, a remuneration by way of commission not exceeding an amount equal to one percent of the net profits of the Company as computed under Section 198 of the Act.

RESOLVED FURTHER that the Board of Directors be and is hereby authorised to decide, from time to time, the quantum and manner of distribution of the amount of commission to one or more Directors within the limits prescribed and in terms of the Act.

RESOLVED FURTHER that the aforesaid commission shall be exclusive of the fees payable to such Directors for attending the meetings of the Board and the Committees thereof.

RESOLVED FURTHER that consent of the Company be and the same is hereby accorded for payment of the aforesaid commission to such Directors who may be relatives/partners of other Directors.

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

**By Order of the Board**

Coimbatore  
29<sup>th</sup> April, 2015

**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 to 7 of the Notice is annexed hereto.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 25<sup>th</sup> July, 2015 to 30<sup>th</sup> July, 2015 (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), 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, 2013 the Company has transferred unclaimed dividends upto the year 2006-07 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 2015, Notice of the 42<sup>nd</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  
29<sup>th</sup> April, 2015

**C Subramaniam**  
Company Secretary

## ANNEXURE TO THE NOTICE

### Details of the Directors seeking re-appointment at the 42<sup>nd</sup> Annual General Meeting Vide Item Nos. 3 & 5 of the Notice dated 29<sup>th</sup> April, 2015.

(Pursuant to Clause 49 of the Listing Agreement)

The resume in brief and other details of the Directors, whose appointment is for the consideration of the members at the ensuing 42<sup>nd</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.

Mr. L Ramkumar is the Chairman of 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>Chairman</b> TI Financial Holdings Ltd	<b>Committee Membership</b>
<b>Director</b> Tube Investments of India Ltd Financiere C 10 S.A.S. TI Subamex Pvt. Ltd	<b>Stakeholders Relationship Committee</b>
	<b>Member</b> Tube Investments of India Ltd

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

#### Ms. Soundara Kumar

Ms. Soundara Kumar is a graduate in mathematics.

Ms. Soundara Kumar is a member of Audit Committee of the Company.

Details of other Directorships and memberships in Audit and Stakeholders Relationship Committee held by Ms. Soundara Kumar are as follows :

<b>Chairman</b> Assets Reconstruction Company (India) Ltd	<b>Committee Membership</b>
<b>Director</b> Ramco Systems Ltd Religare Finvest Ltd Orchid Chemicals and Pharmaceuticals Ltd Religare Housing Development Finance Ltd Sundaram BNP Paribas Fund Services Ltd	<b>Audit Committee</b>
	<b>Member</b> Religare Finvest Ltd Religare Housing Development Finance Ltd Sundaram BNP Paribas Fund Services Ltd

Ms. Soundara Kumar does not hold any equity shares of the Company

**By Order of the Board**

Coimbatore  
29<sup>th</sup> April, 2015

**C Subramaniam**  
Company Secretary

## **Explanatory Statement in respect of the Special Business under item Nos. 5 to 7 (pursuant to Section 102 of the Companies Act, 2013) of the Notice dated 29<sup>th</sup> April, 2015**

### **Item No.5**

The Board of Directors at their meeting held on 31<sup>st</sup> March, 2015 appointed Ms. Soundara Kumar as Additional Director (Non-Executive Independent Director) of the Company. She will hold office up to the ensuing 42<sup>nd</sup> 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, she will be seeking election / appointment as Independent Director for five consecutive years i.e from the date of 42<sup>nd</sup> Annual General Meeting (2015) till the date of 47<sup>th</sup> Annual General Meeting (2020). A notice has been received from a Member proposing Ms. Soundara Kumar as a candidate for the office of Director of the Company.

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

### **Memorandum of Interest**

Except Ms. Soundara Kumar, 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 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 2015-16.

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 2015-16 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.

### **Item No.7**

The role of non-whole-time Directors is significant in achieving good performance and establishment of good governance. The responsibility of the

non-whole-time Directors has increased considerably over the years. In view of the dynamic changes in Company law and the corporate governance norms, there is a greater demand on the non-whole time Directors in terms of time and preparation for the Board and Committee meetings. Keeping in view the requirement in terms of time and quality on the part of the non-whole time Directors, it is necessary to remunerate them appropriately.

Considering the enhanced role and increased responsibilities of the Directors as stated above, it is proposed that the Directors of the Company (including alternate Directors), who are neither in the whole-time employment of the Company nor are the Managing Director(s)/Manager of the Company, be paid, for each of the five financial years, commencing from the 1<sup>st</sup> of April, 2015 up to the financial year ending on the 31<sup>st</sup> of March, 2020, a remuneration not exceeding one percent per annum of the net profits of the Company computed in accordance with the provisions of the Act and the applicable Rules, if any, thereunder. This remuneration will be distributed amongst all or some of the Directors in accordance with the directions given by the Board of Directors and subject to any other applicable requirements under the Act and the Rules thereunder. This remuneration shall be in addition to fee payable to the Directors for attending the meetings of the Board or the Committees thereof or for any other purpose whatsoever, as may be decided by the Board and the reimbursement of expenses for participating in the Board and other meetings.

Accordingly, approval of the Members is sought by way of a Special Resolution for the payment of remuneration, by way of commission, to the Directors of the Company (including alternate Directors), who are neither in the whole-time employment of the Company nor the Managing Director(s)/Manager of the Company, for a period of five financial years from the 1<sup>st</sup> April, 2015 up to the financial year ending on 31<sup>st</sup> March, 2020, as set out in the Resolution under Item No.7 of the Notice. The Board commends the Resolution for approval by the shareholders of the Company.

#### **Memorandum of Interest**

Directors, other than Mr. L Ramkumar and Dr. Sreeram Srinivasan may be deemed to be concerned or interested in the Special Resolution set out therein to the extent of the remuneration, by way of commission, that may be received by them. Mr. L Ramkumar and Dr. Sreeram Srinivasan, Directors and Key Managerial Personnel of the company and their relatives are not concerned or interested, financially or otherwise, in the resolution set out in Item No.7 of the Notice.

**By Order of the Board**

Coimbatore  
29<sup>th</sup> April, 2015

**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 42<sup>nd</sup> Annual General Meeting to be held on Thursday, July 30, 2015, 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 [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 Number 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 27<sup>th</sup> July, 2015 (10:00 a.m. IST) and ends on 29<sup>th</sup> July, 2015 (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 23<sup>rd</sup> July, 2015, 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 23<sup>rd</sup> July, 2015.
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 three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
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 42<sup>nd</sup> Annual General Meeting of the Company.

**By Order of the Board**

Coimbatore  
29<sup>th</sup> April, 2015

**C Subramaniam**  
Company Secretary

