

ANNUAL REPORT
2014 - 2015



Smiths & Founders (India) Limited

(formerly Shimoga Technologies Limited)

CIN: L85110KA1990PLC011303

Smiths & Founders (India) Limited

[formerly Known as Shimoga Technologies Limited]

BOARD OF DIRECTORS

Suresh Shastry	<i>Chairman & Managing Director</i>
Satish Shastry	<i>Whole-time Director</i>
Umesh Shastry	<i>Whole-time Director</i>
Supriya Shastry	<i>Whole-time Director</i>
V.Parthasarathy	<i>Independent Director</i>
Sudhindra N Kalghatgi	<i>Independent Director (from 14.11.2014)</i>
G. Ananda	<i>Independent Director (upto 14.11.2014)</i>

COMPANY SECRETARY & COMPLIANCE OFFICER

Naveen K. Shenoy

AUDITORS

B.N.Subramanya & Co.
Chartered Accountants,
No.101, R.V.-15, 'E' Block
6th Main, Malleswaram,
Bangalore - 560 003

BANKERS

Axis Bank Limited

REGISTRAR AND TRANSFER AGENTS

Integrated Enterprises (India) Limited
30, Ramana Residency,
4th Cross, Sampige Road, Malleswaram,
Bangalore - 560 003

REGISTERED OFFICE

3rd Floor, Soundarya Sampige
8th Cross, Sampige Road, Malleswaram
Bangalore - 560 003

WORKS

1. Plot Nos. N 12 & 13,
Industrial Estate, Sagar Road,
Shimoga - 577 204, Karnataka
2. M 7 – M 10, Industrial Estate
Sagar Road, Shimoga - 577 204
3. Plot No.L-29, KIADB Industrial Area
Machenahalli, Shimoga District
4. Plot No.24 & 24A, KIADB Industrial Area
Chikkaballapura - 562 101

NOTICE

Notice is hereby given that the Twenty Fourth Annual General Meeting of the Members of **Smiths & Founders (India) Limited** (formerly Shimoga Technologies Limited) will be held at MEWS Ladies Club, No.37, 17th Cross (between 4th and 6th Main), Malleswaram, Bangalore – 560 055 on Saturday, September 26, 2015 at 10.30 A.M to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt the audited financial statements of the Company for the financial year ended March 31, 2015 and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Umesh Shastri (DIN:01736554), who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Satish Shastri (DIN:01325359), who retires by rotation and being eligible, offers himself for re-appointment.
4. To ratify the appointment of Auditors and fix their remuneration and in this regard to consider and, if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and other applicable rules, if any, and pursuant to the resolution passed by the members at the Twenty Third Annual General Meeting held on December 27, 2014, the appointment of M/s. B.N. Subramanya & Co., Chartered Accountants, (Firm Registration No. FRN 004142S) as Auditors of the Company, to hold office until the conclusion of the Twenty Seventh Annual General Meeting of the Company to be held in the year 2018, at such remuneration as shall be fixed by the Board of Directors of the Company, be and is hereby ratified”.

SPECIAL BUSINESS:

5. **Approval for transfer, sale and / or dispose of the undertaking at Chikkaballapura, Karnataka.**

To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 and the Memorandum and Articles

of the Company, and subject to other consents, approvals and permissions as may be required, consent of the Company be and is hereby accorded to the Board of Directors to transfer, sell and/or dispose of the undertaking of the Company at 24 & 24 A, KIADB Industrial Area, Chikkaballapura, 562101, Karnataka to a suitable entity or such other party/parties as may be approved by the Board of Directors (including any Committee thereof) by way of sale or assignment at such consideration and on such terms and conditions as may be decided by the Board of Directors with power to the Board of Directors to finalise and execute necessary documents including agreements, deeds of assignment / conveyance and other documents with such modifications as may be required from time to time and do all such other acts, deeds, matters and things as may be deemed necessary and / or expedient in their discretion for completion of transfer, sale and or/ disposal of the undertaking in the best interest of the Company

RESOLVED FURTHER THAT the board of Directors be and is hereby authorised to delegate all or any of the powers herein conferred in such manner as it may deem fit”.

NOTES:

1. **A member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company. The instrument appointing the proxy should, however be deposited at the Registered Office of the Company not less than forty eight hours before the commencement of the meeting.**

A person can act as proxy on behalf of the members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company. A member holding more than ten percent of the total share capital of the Company may appoint a single person as proxy. However, such person shall not act as a proxy for any other person or shareholder.

2. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.

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3. The relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of Item no. 5 and Information under Clause 49 of the listing agreement relating to Directors proposed to be re-appointed are annexed hereto.
4. Register of Members and Share Transfer Books of the Company will remain closed from 19.09.2015 to 26.09.2015 (both days inclusive).
5. Members are requested to bring their Attendance Slips with their copy of the Annual Report to the meeting.
6. Relevant documents referred to in the Notice and Explanatory Statement are open for inspection at the Registered Office of the Company on all working days, except Saturdays between 11.00 a.m and 1.00 p.m. upto the date of the Meeting.
7. Section 72 of the Companies Act, 2013 provides for nomination by the shareholders of the Company in the prescribed Form SH-13. Shareholders are requested to avail this facility.
8. Members are requested to a) intimate to the Company's Registrar and Transfer Agents, changes, if any, in their registered addresses at an early date, in case of Shares held in physical form; b) intimate to the respective Depository Participant, changes, if any, in their registered address at an early date, in case of Shares held in dematerialised form; c) quote their folio number/Client ID/DP ID in all correspondence and d) consolidate their holdings into one folio in case they hold Shares under multiple folios in the identical order of names.
9. Members are requested to note that in case of transfers, deletion of name of deceased shareholder, transmission and transposition of names in respect of shares held in physical form, submission of photocopy of PAN Card of the transferee(s), surviving holder(s), legal(s) and joint holder(s) respectively, along with necessary documents at the time of lodgement of request for these transactions, is mandatory.
10. Your Company supports in full measure the 'green initiative' of the Ministry of Corporate Affairs under which, service of notices/documents including Annual Report, can be effected by sending the same through electronic mode to the registered e-mail addresses of the shareholders. To support this green initiative of the Government, members who would like to receive such notices/documents in electronic mode and who have not

registered their e-mail addresses so far, are requested to do so by sending a request to the Company's Share Transfer Agent mentioning their folio number and e-mail addresses to which such documents can be sent. For shareholders holding shares in electronic form, such request can also be sent electronically to cosec@smithsandfoundersindia.com from the same e-mail address registered with the depository participants.

11. Voting through electronic means

Pursuant to the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide its members the facility to exercise their right to vote at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting services provided by Central Depository Services Limited (CDSL).

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on 23rd September, 2015 (9.00 a.m.) and ends on 25th September, 2015 (5.00 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 i.e. 18th September, 2015, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

(vii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

(viii) After entering these details appropriately, click on "SUBMIT" tab.

(ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xi) Click on the relevant EVSN of Smiths and Founders India Limited on which you choose to vote.

(xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

(xvii) If Demat account holder has forgotten the password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xviii) Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com,

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under help section or write an email to helpdesk.evoting@cdslindia.com.

- Mr. Vighneshwar Bhat (Membership No. 25597) Practising Company Secretary of VB & Associates, Company Secretaries, Bangalore, has been appointed as Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- The members would be able to cast their votes at the meeting through ballot paper if they have not availed the remote e-voting facility. If the vote is cast through remote e-voting facility, then the members would not be permitted to exercise their voting right at the general meeting.
- The voting rights of members shall be in proportion to their share in the paid up capital of the Company as on the cut-off date.
- Any Person who acquires the shares and becomes a member of the Company after despatch of the Notice and holds shares as on the cut-off date i.e., September 18, 2015, may obtain the login Id and password by sending a request to CDSL/OUR RTA.
- The scrutinizer shall immediately after the conclusion of the voting at the general meeting, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in employment of the Company and make, not later than three days of conclusion of the meeting a consolidated scrutinizer's report of the votes cast in favour or against, to the Chairman of the Company.
- The results shall be declared on or after the Annual General Meeting. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website www.smithsandfoundersindia.com and on the website of CDSL and communicated to the BSE Limited where the shares of the Company are listed.

By the Order of the Board

NAVEEN K SHENOY
Company Secretary

Registered Office:

3rd Floor, Soundarya Sampige
8th Cross, Sampige Road,
Malleswaram, Bangalore 560 003
CIN:L85110KA1990PLC11303
E-mail Id: cosec@smithsandfoundersindia.com
Website: www.smithsandfoundersindia.com

Place : Bangalore
Date : 12.08.2015

Explanatory Statement under Section 102 of the Companies Act, 2013

Item No. 5

Approval for transfer, sale and/or dispose of the undertaking at Chikkaballapura, Karnataka.

The manufacturing unit at Plot No.24 & 24A, KIADB Area, Chikkaballapura, Karnataka owned by erstwhile Smiths & Founders (India) Limited, was manufacturing castings. The Company stopped its manufacturing activities from April, 2009 onwards due to high cost of operations. The Board is of the view that since there is no scope for revival of operations in Chikkaballapura, it is prudent to transfer, sell or dispose of the unit and utilise the sale consideration for reducing its debts and regulate its finance costs.

Pursuant to the provisions of Section 180(1)(a), any proposal to sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the Company or where the company owns more than one undertaking, of the whole or substantially the whole of any such undertakings shall be approved by the shareholders.

Since the Unit at Chikkaballapura constitutes one of the undertakings of the Company, the Board recommends passing of the enabling resolution as a Special Resolution.

None of the Directors and Key Managerial Personnel of the Company nor their relative are concerned or interested, financially or otherwise, in the resolution set out at item no. 5 of the Notice.

The Directors recommends the resolution for members' approval as Special Resolution.

By the Order of the Board

NAVEEN K SHENOY
Company Secretary

Registered Office:

3rd Floor, Soundarya Sampige
8th Cross, Sampige Road,
Malleswaram, Bangalore 560 003
CIN:L85110KA1990PLC11303
E-mail Id: cosec@smithsandfoundersindia.com
Website: www.smithsandfoundersindia.com

Place : Bangalore
Date : 12.08.2015

TWENTY FOURTH ANNUAL REPORT 2014-15

PARTICULARS OF DIRECTORS SEEKING RE-APPOINTMENT

Particulars	Mr. Umesh Shastry	Mr. Satish Shastry
Date of Birth	05/02/1960	17/04/1962
Date of Appointment	17/03/2014	17/03/2014
Qualifications	B.Sc	B.E.
Expertise in specific functional areas	Has over 33 years of experience in Foundry and Machining Industry	Has over 31 years of experience in Tooling and Machining Industry
Other Directorships/ Committee Chairmanships/ Memberships	None	None
Number of Shares held in the Company	6988150	18024000
Relationship between directors inter-se	Brother of Mr.Suresh Shastry and Satish Shastry and Uncle of Ms. Supriya Shastry	Brother of Mr.Suresh Shastry and Umesh Shastry and Uncle of Ms. Supriya Shastry

Smiths & Founders (India) Limited

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DIRECTORS' REPORT

Dear Members,

Your Directors present the Twenty Fourth Annual Report together with the Audited Statements of Account for the financial year ended March 31, 2015.

1. FINANCIAL RESULTS:

During the year under review the Company has achieved the following financial results: (₹ in Lakhs)

Particulars	31.03.2015	31.03.2014
Revenue from operations	653.85	669.38
Other Income	9.28	17.94
Profit /(Loss) before Financial Charges, Depreciation, Taxation and Prior Period items	(53.02)	(16.06)
Less: Finance Costs	88.11	63.95
Profit /(Loss) before Depreciation, Taxation and Prior Period items	(141.13)	(80.01)
Less: Depreciation	39.41	35.88
Profit /(Loss) before Taxation and Prior Period items	(180.54)	(115.89)
Less: Taxation (Including Deferred Tax)	0.00	22.98
Profit /(Loss) for the year	(180.54)	(92.90)
Less: Prior period items	0.00	0.00
Net Profit/(Loss) for the year	(180.54)	(92.90)
Balance of Profit/(Loss) brought forward from last year	(325.84)	(621.74)
Less: Capital Reduction Account transferred	0.00	388.80
Profit/(Loss) Carried forward to Balance sheet	(506.38)	(325.84)

2. OVERVIEW OF COMPANY PERFORMANCE:

During the year under review the sales of your Company has remained muted. However, loss has gone up from ₹ 92.90 Lakhs to ₹ 180.54 Lakhs due to increase in finance costs and employee benefits expense.

Though the Company was hopeful of wiping off its accumulated losses upon reduction of its Capital by 90% and amalgamation of erstwhile Smiths & Founders (India) Limited with the Company as envisaged in the Scheme of Rehabilitation submitted by the Company and approved by the Hon. Board for Industrial and Financial Reconstruction, the Scheme did not yield the desired result in view of drastic fall in sales and losses suffered by the amalgamating Company in the financial years 2012-13 and 2013-14.

The Company also had to bear the burden of additional depreciation amounting to ₹ 1.15 Crores being the carrying amount of assets whose written down value has been written off since the useful life is nil as at 01.04.2014 pursuant to the provisions of Companies Act, 2013, which has been charged to the accumulated losses of the Company.

As a result of this, the Company's accumulated losses has exceeded fifty percent of its net-worth at the end of the financial year. However, the board is of the view that as the accumulated losses for the financial year is ₹ 5.06 Crores, there is no erosion of 50% or more of its peak net worth and hence no reporting under the Sick Industrial Companies (Special Provisions) Act, 1985 is required. The Company is confident of earning a modest net profit in the current financial year.

3. DIVIDEND & RESERVES:

In view of loss incurred by the Company, your Directors do not recommend any dividend for the financial year ended March 31, 2015. During the year under review no amount was transferred to General Reserve.

4. INCREASE IN PAID UP CAPITAL:

Consequent to amalgamation of erstwhile Smiths & Founders (India) Limited with the Company, the Company has issued 97676525 equity shares of ₹ 1/- fully paid up in 2 tranches, ie. 48838265 shares on July 1, 2014 and 48838260 shares on December 27, 2014 to the shareholders of erstwhile Smiths & Founders (India) Limited in the ratio of 5 equity shares

of ₹ 1/- fully paid up of the Company for every 2 equity shares of ₹ 1/- held by them. The Paid Up Capital of the Company, as a result of this, has increased to ₹ 10,19,96,525/-.

5. EXTRACT OF ANNUAL RETURN:

The details forming part of the extract of the Annual Return in form MGT-9, as required under Section 92 (3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management & Administration) Rules, 2014, is included in this Report as **Annexure-A** and forms an integral part of this Report.

6. NUMBER OF MEETINGS OF THE BOARD:

During the Financial Year 2014-15, 6 (Six) meetings of the Board were held, details of which are given in the Corporate Governance Report.

7. BOARD EVALUATION:

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has evaluated its performance taking into consideration of the various aspects of its functioning, composition of the Board and its Committees and performance of specific duties, obligations and governance. The performance evaluation of the Chairman and Non-Independent Directors was carried out by the Independent Directors through a meeting of Independent Directors.

8. FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS:

The details of programmes for familiarisation of Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company and related matters are put up on the website of the Company, www.smithsandfoundersindia.com

9. DIRECTORS:

During the year under review Mr. G. Ananda, who was a Independent Director on the board since 02.08.2008 resigned on November 14, 2014. The Board places on record its appreciation of his immense contribution to the Company during his long tenure. The Board appointed Mr. Sudhindra N. Kalghatgi on November 14, 2014 to fill the vacancy caused by the resignation of Mr. G. Ananda.

Mr. V. Parthasarathy and Mr. Sudhindra N. Kalghatgi, Independent Directors have been appointed as such in the Annual General Meeting of the Company held on December 27, 2014. to give effect to the applicable provisions of Sections 149 and 152 of the Companies Act, 2013.

The Independent Directors have given declaration that they meet the criteria of independence as laid down

under Section 149(6) of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

Mr. Umesh Shastri and Mr. Satish Shastri retire by rotation at the ensuing Annual General Meeting and are eligible for re-appointment. The Board recommends their re-appointment.

10. FIXED DEPOSITS:

The Company has not accepted fixed deposits from the public and shareholders within the meaning of Section 73(1) of the Companies Act, 2013 and Rules made there under, during the year under review.

The Company has re-paid all outstanding deposits accepted before the commencement of the Companies Act, 2013, during the year under review.

11. DIRECTORS RESPONSIBILITY STATEMENT:

As required under Section 134(3)(c) of the Companies Act, 2013, your Directors state that:

- a) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanations relating to material departures;
- b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at March 31, 2015 and its loss for the year ended on that date;
- c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d) the Directors have prepared the annual accounts on a 'going concern' basis.
- e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively
- f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

12. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS BY COMPANY:

During the year under review the Company has not given any loan, guarantee or made any investment covered under the provisions of Section 186 of the Companies Act, 2013.

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13. REMUNERATION AND NOMINATION POLICY:

The Board of Directors have framed a policy which lays down a framework in relation to remuneration of Directors, Key Managerial Personnel and Senior Management of the Company. The policy also lays down criteria for selection and appointment of Board Members. The Policy is given in **Annexure-B** and forms an integral part of this report.

14. RELATED PARTY TRANSACTIONS:

During the year under review the Company has not entered into any contract or arrangement with related parties attracting the provisions of Section 188 of the Companies Act, 2013.

However, during the current year the Company has entered into a transaction with a related party on arm's length basis and in the ordinary course of business thereby not attracting the provisions of Section 188 of the Companies Act, 2013. The details are given in **Annexure-C** and forms an integral part of this report.

All Related Party Transactions are placed before the Audit Committee and also to the Board for approval.

The policy on Related Party Transactions as approved by the Board of Directors has been uploaded on the website of the Company, www.smithsandfoundersindia.com

15. VIGIL MECHANISM / WHISTLE BLOWER POLICY:

As per Companies Act, 2013 read with Clause 49 of the Listing Agreement, the Board of Directors of the Company have constituted Vigil Mechanism / Whistle Blower Policy and adopted a policy which aims to provide a channel to the Directors and employees to report genuine concerns about unethical behaviour, actual or suspected fraud or violation of the Codes of Conduct or policy. The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations and in order to maintain these standards, the Company encourages its employees who have genuine concerns about suspected misconduct to come forward and express those concerns in writing through an e-mail or a letter to the Chairman of the Company or to the Compliance Officer or to the Chairman of the Audit Committee. The Whistle Blower Policy of the Company can be accessed on the Company's website at www.smithsandfoundersindia.com

16. RISK MANAGEMENT:

The Company has in place Risk Management Policy according to which the Board of Directors of the Company and the Audit Committee periodically review and evaluate the risk management system of the Company so that the management controls the risks through properly defined network.

17. CORPORATE SOCIAL RESPONSIBILITY:

No disclosures on Corporate Social Responsibility are required as provision under Section 135 of the Companies Act, 2013 and Rules made thereunder are not applicable to the Company.

18. CORPORATE GOVERNANCE:

A Certificate from the Auditors of the Company regarding compliance of conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement is attached to this Report along with report on Corporate Governance.

19. MANAGEMENT DISCUSSION AND ANALYSIS:

Pursuant to Clause 49 of the Listing Agreement, Management Discussion and Analysis Report forms part of this Report.

20. SECRETARIAL AUDIT:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Rules made thereunder, the Company has appointed VB & Associates, Company Secretaries as the Secretarial Auditor of the Company. The Secretarial Audit Report is annexed as **Annexure-D** and forms an integral part of this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

21. AUDITORS:

The Company's Auditors, M/s. B.N.Subramanya & Co., Chartered Accountants, were re-appointed as the Statutory Auditors of the Company to hold office from the conclusion of Twenty Third Annual General Meeting held on December 27, 2014 until the conclusion of the Twenty Seventh Annual General Meeting to be held in the year 2018 subject to ratification of their appointment by the Members at every Annual General Meeting held after the Annual General Meeting held on December 27, 2014.

As required under provisions of Section 139 of the Companies Act, 2013, the Company has received written consent from M/s. B.N.Subramanaya & Co. to their appointment and a Certificate to the effect that that their re-appointment, if made, would be in accordance with the Companies Act, 2013 and the Rules framed thereunder and that they satisfy the criteria provided in Section 141 of the Companies Act, 2013.

The Members are requested to ratify the appointment of the Statutory Auditors as foresaid.

The Auditors' Report does not contain any qualification, reservation or adverse remark on the financial statements for the year ended March 31, 2015. The statements made by the Auditors in their Report are self-explanatory and do not call for any further comments.