



26<sup>TH</sup>

Annual Report  
2016 - 2017



**Smiths & Founders (India) Limited**

CIN: L85110KA1990PLC011303

**BOARD OF DIRECTORS**

Suresh Shastry	<i>Chairman &amp; Managing Director</i>
Sathish 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</i>

**COMPANY SECRETARY &  
COMPLIANCE OFFICER**

Yogeesh Dasar M (w.e.f. 04.01.2017)

**AUDITORS**

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

**REGISTRAR AND  
TRANSFER AGENTS**

Integrated Registry Management Services Private Limited  
30, Ramana Residency,  
4th Cross, Sampige Road, Malleswaram,  
Bangalore 560 003

**REGISTERED OFFICE**

No. 505, 5th Floor, Brigade Rubix,  
No.20, HMT Main Road,  
Bangalore 560 013

**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  
Karnataka

## NOTICE

Notice is hereby given that the Twenty Sixth Annual General Meeting of the Members of **Smiths & Founders (India) Limited** will be held at MEWS Ladies Club, No.37, 17th Cross (between 4th and 6th Main), Malleswaram, Bangalore – 560 055 on Saturday, September 16, 2017 at 10.00 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, 2017 and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Sathish Shastry (DIN:01325359), who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Umesh Shastry (DIN:01736554), 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. Re-Appointment of Mr. Sathish Shastry as Whole Time Director.

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 Sections 196, 197, 203, Schedule V and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 ( including any statutory modifications or re-enactments thereof for the time being in force), Articles of Association of the

Company and any other applicable provisions, consent of the Members of the Company be and is hereby accorded for re-appointment of Mr. Sathish Shastry (DIN:01325359) as Whole Time Director of the Company, for a period of Five Years with effect from 1st April, 2017 on the terms and conditions including remuneration as set in the Explanatory Statement to this Notice with authority to the Board of Directors to vary or increase the remuneration and perquisites payable or to be provided to Mr. Sathish Shastry, including the monetary value thereof to the extent the Board of Directors may consider appropriate and to alter the terms and conditions of the agreement entered into by the Company with Mr. Sathish Shastry, as may be agreed between the Board of Directors and Mr. Sathish Shastry.

RESOLVED FURTHER THAT in the event of absence or inadequacy of profits in any financial year, the Company shall pay Mr. Sathish Shastry remuneration as decided by the Board or any Committee thereof from time to time as minimum remuneration, with the approval of the Members and the Central Government, if necessary.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds and matters and things as in its absolute discretion it may consider necessary, expedient or desirable to give effect to this resolution and also to revise the remuneration of Mr. Sathish Shastry within the limits stipulated in the Companies Act, 2013”.

#### 6. Re-Appointment of Mr. Umesh Shastry as Whole Time Director.

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 Sections 196, 197, 203, Schedule V and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 ( including any statutory modifications or re-enactments thereof for the time being in force), Articles of Association of the Company and any other applicable provisions, consent of the Members of the Company be and is hereby accorded for re-appointment of Mr. Umesh Shastry (DIN:01736554) as Whole Time Director of the Company, for a period of Five Years with effect from 1st April, 2017 on the terms and conditions including remuneration as set in the Explanatory Statement to this Notice with authority to the Board of Directors to vary or increase the remuneration and perquisites payable or to be provided to Mr. Umesh Shastry, including the monetary value thereof to the extent the Board of Directors may consider appropriate

and to alter the terms and conditions of the agreement entered into by the Company with Mr. Umesh Shastry, as may be agreed between the Board of Directors and Mr. Umesh Shastry.

RESOLVED FURTHER THAT in the event of absence or inadequacy of profits in any financial year, the Company shall pay Mr. Umesh Shastry remuneration as decided by the Board or any Committee thereof from time to time as minimum remuneration, with the approval of the Members and the Central Government, if necessary.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds and matters and things as in its absolute discretion it may consider necessary, expedient or desirable to give effect to this resolution and also to revise the remuneration of Mr. Umesh Shastry within the limits stipulated in the Companies Act, 2013".

### 7. Re-Appointment of Mrs. Supriya Shastry as Whole Time Director.

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 Sections 196, 197, 203, Schedule V and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 ( including any statutory modifications or re-enactments thereof for the time being in force), Articles of Association of the Company and any other applicable provisions, consent of the Members of the Company be and is hereby accorded for re-appointment of Mrs. Supriya Shastry (DIN:01327762) as Whole Time Director of the Company, for a period of Five Years with effect from 1st April, 2017 on the terms and conditions including remuneration as set in the Explanatory Statement to this Notice with authority to the Board of Directors to vary or increase the remuneration and perquisites payable or to be provided to Mrs. Supriya Shastry, including the monetary value thereof to the extent the Board of Directors may consider appropriate and to alter the terms and conditions of the agreement entered into by the Company with Mrs. Supriya Shastry, as may be agreed between the Board of Directors and Mrs. Supriya Shastry.

RESOLVED FURTHER THAT in the event of absence or inadequacy of profits in any financial year, the Company shall pay Mrs. Supriya Shastry remuneration as decided by the Board or any Committee thereof from time to time as minimum remuneration, with the approval of the Members and the Central Government, if necessary.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do

all such acts, deeds and matters and things as in its absolute discretion it may consider necessary, expedient or desirable to give effect to this resolution and also to revise the remuneration of Mrs. Supriya Shastry within the limits stipulated in the Companies Act, 2013".

### 8. Re-Appointment of Mr. Suresh Shastry as Managing Director.

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 Sections 196, 197, 203, Schedule V and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 ( including any statutory modifications or re-enactments thereof for the time being in force), Articles of Association of the Company and any other applicable provisions, consent of the Members of the Company be and is hereby accorded for re-appointment of Mr. Suresh Shastry (DIN:01099554) as Managing Director of the Company, for a period of Five Years with effect from 1st April, 2017 on the terms and conditions including remuneration as set in the Explanatory Statement to this Notice with authority to the Board of Directors to vary or increase the remuneration and perquisites payable or to be provided to Mr. Suresh Shastry, including the monetary value thereof to the extent the Board of Directors may consider appropriate and to alter the terms and conditions of the agreement entered into by the Company with Mr. Suresh Shastry, as may be agreed between the Board of Directors and Mr. Suresh Shastry.

RESOLVED FURTHER THAT in the event of absence or inadequacy of profits in any financial year, the Company shall pay Mr. Suresh Shastry remuneration as decided by the Board or any Committee thereof from time to time as minimum remuneration, with the approval of the Members and the Central Government, if necessary.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds and matters and things as in its absolute discretion it may consider necessary, expedient or desirable to give effect to this resolution and also to revise the remuneration of Mr. Suresh Shastry within the limits stipulated in the Companies Act, 2013".

### 9. To alter the Articles of Association of the Company in conformity with the Companies Act, 2013.

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 14 and other applicable provisions of the Companies Act,

2013 read with Companies (Incorporation) Rules, 2014 or any other law for the time being in force (including any statutory modification(s) or re-enactment thereof, for the time being in force), the alteration to Articles of Association of the Company, a copy of which is available for inspection at the registered office of the Company and also available on the website of the Company <https://www.smithsandfoundersindia.com/investors>, be and is hereby approved and adopted in total exclusion, substitution and superseding the existing Articles of Association of the Company.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all acts, deeds and things and take all such steps as may be necessary, proper or expedient to give effect to this resolution".

**By the Order of the Board**

**YOGEESH DASAR M**  
*Company Secretary*

**Registered Office:**

No.505, 5th Floor, Brigade Rubix,  
No.20, HMT Main Road, Bangalore 560 013  
CIN:L85110KA1990PLC11303  
E-mail Id: cosec@smithsandfoundersindia.com  
Website: www.smithsandfoundersindia.com

Place : Bangalore  
Date : 09.08.2017

**NOTES:**

- 1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF 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.

3. The information as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard – 2 issued by the Institute of Company Secretaries of India, 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 11.09.2017 to 16.09.2017 (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 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

## Smiths & Founders (India) Limited

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. A route map showing directions to reach the venue of the 26th Annual General Meeting (AGM) is given at the end of Annual Report accompanying this Notice.

### 12. Voting through electronic means

Pursuant to Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of SEBI Regulations, as amended from time to time, the Company is pleased to provide its members the facility of 'remote e-voting (e-voting from a place other than the venue of the AGM) to exercise their right to vote at the AGM. 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 13th September, 2017 (9.00 a.m) and ends on 15th September, 2017 (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 of 8th September, 2017 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](http://www.evotingindia.com).
- (iii) Click on Shareholders/Members
- (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](http://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"> <li>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.</li> <li>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.</li> </ul>
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> <li>If both 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).</li> </ul>

- (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 a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xvii) If a demat account holder has forgotten the changed login 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) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xix) **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](http://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](mailto: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 linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto: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.
- (xx) 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](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- The Company has appointed Mr. Naveen K Shenoy (Membership No. 10817), Practicing Company Secretary, as the Scrutinizer for conducting the remote e-voting and the voting process at the AGM in a fair and transparent manner.
  - The members attending the AGM, who have not already cast their vote through remote e-voting facility shall be able to exercise their voting rights at the AGM. The members who have already cast their vote through remote e-voting facility may attend the AGM but shall not be entitled to cast their vote again at the AGM.
  - 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 8, 2017, 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](http://www.smithsandfoundersindia.com) and on the website of CDSL and communicated to the BSE Limited where the shares of the Company are listed.

## Smiths & Founders (India) Limited

### Explanatory Statement under Section 102 of the Companies Act, 2013

#### Item No.5,6&7

#### Re-Appointment of Mr. Sathish Shastry as Whole Time Director

Members will recall that by a Special Resolution passed on December 27, 2014, members had approved the appointment of Mr. Sathish Shastry (DIN:01325359) as Whole Time Director, for a period of 3 years, w.e.f. April 1, 2014 i.e. upto March 31, 2017.

The Board of Directors of the Company at its meeting held on February 14, 2017 decided to continue the appointment of Mr. Sathish Shastry, Whole Time Director, liable to retire by rotation, for a further period of 5 years, with effect from April 1, 2017 and approved the terms and conditions including payment of remuneration as recommended by the Nomination and Remuneration Committee, subject to the requisite approval of members.

Mr. Sathish Shastry has over 33 years of experience in tooling and machining industry. He is a graduate in Engineering.

The principal terms and conditions of Mr. Sathish Shastry's appointment as Whole Time Director and the main clauses of the Agreement to be executed between the Company and Mr. Sathish Shastry are as follows:

<b>Term</b>	Five (5) Years w.e.f. 01.04.2017
<b>Duties and Powers</b>	Mr. Sathish Shastry shall, subject to the superintendence, control and directions of the Board, be responsible for day to day management and operations of the Company and carry out such duties and exercise such powers as may be entrusted to him by the Board from time to time.
<b>Components of Remuneration</b>	<b>Amount ( in ₹)</b>
Salary	100,000
House Rent Allowance	60% of Salary
Medical Reimbursement	One months' Salary
Leave Travel Concession	One month's Salary
Club Fees	30,000 per annum
Personal Accident Insurance	15,000 per annum
Provident Fund & Superannuation	Not to exceed 25% of Salary
Gratuity	As per applicable rules
Leave Encashment at the end of tenure	As per the leave rules of the Company
Car benefit/ Telephone/Cellular Phone	Free except when used for personal purpose

Except Mr. Sathish Shastry, none of the Directors and Key Managerial Personnel of the Company and their respective relatives are concerned or interested financially or otherwise, in the resolution set out at Item no.5.

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

Information required under Section 197(3) read with Schedule V of Companies Act, 2013 and Rule 7 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is as below:

#### I. General Information:

- (1) Nature of Industry: The Company is engaged in the manufacture of automotive forgings, Cast Iron cylinder liners and castings.
- (2) Date of commencement of commercial production : 2nd April, 1992



(3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus : Not Applicable

(4) Financial performance based on given indicators:

<b>Particulars</b>	<b>31st March 2017 (₹)</b>
Turnover (including other income)	823,13,662
<b>Profit/(Loss) before depreciation</b>	<b>131,698</b>
Depreciation & Amortisation	24,40,128
<b>Profit/(Loss) before Tax</b>	<b>(23,08,430)</b>
Tax including deferred tax	-
<b>Profit/(Loss) after Tax</b>	<b>(23,08,430)</b>

(5) Foreign investments or collaborations, if any: Nil

## **II. Information about the appointee:**

- (1) Background details: Mr. Sathish Shastry is a graduate in Engineering and has over 33 years of experience in tooling and machining industry.
- (2) Past remuneration: Rs. 22.46 Lakhs (Rupees Twenty Two Lakhs Forty Six Thousand).
- (3) Recognition or awards: Nil
- (4) Job profile and his suitability : Mr. Sathish Shastry is responsible for Production, Quality, Research and Development activities of the Company and his services is utilised for development of new products and as head of the manufacturing units of the Company.
- (5) Remuneration proposed: Rs. 22.46 Lakhs (Rupees Twenty Two Lakhs Forty Six Thousand). The details are set out above.
- (6) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin): The terms of remuneration are consistent with industry norms and not out of tune with the remuneration in similar sized industries in same segment of business.
- (7) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any: Other than the remuneration stated above, Mr. Sathish Shastry has no pecuniary relationship directly or indirectly with the Company. Mr. Suresh Shastry, Chairman and Managing Director and Mr. Umesh Shastry, Whole Time Director of the Company are his brothers. Mrs. Supriya Shastry, Whole Time Director of the Company is his niece.

## **III. Other information:**

- (1) Reasons of loss or inadequate profits: The Company is in the process of recovery after approval of the Scheme of Rehabilitation approved by the Hon.BIFR in February, 2014.
- (2) Steps taken or proposed to be taken for improvement: Company has developed new products and new customers. The Company has also closed its working capital borrowing from bank and saved on substantial interest.
- (3) Expected increase in productivity and profits in measurable terms: With the development of new products and new customers, the turnover of the Company is expected to get a boost and impact on profits is expected from the year 2017-18 onwards.

## Smiths & Founders (India) Limited

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### Re-Appointment of Mr. Umesh Shastry as Whole Time Director.

Members will recall that by a Special Resolution passed on December 27, 2014, members had approved the appointment of Mr. Umesh Shastry (DIN:01736554) as Whole Time Director, for a period of 3 years, w.e.f. April 1, 2014 i.e. upto March 31, 2017.

The Board of Directors of the Company at its meeting held on February 14, 2017 decided to continue the appointment of Mr. Umesh Shastry, Whole Time Director, liable to retire by rotation, for a further period of 5 years, with effect from April 1, 2017 and approved the terms and conditions including payment of remuneration as recommended by the Nomination and Remuneration Committee, subject to the requisite approval of members.

Mr. Umesh Shastry has over 35 years of experience in foundry and machining industry. He is a graduate in science.

The principal terms and conditions of Mr. Umesh Shastry's appointment as Whole Time Director and the main clauses of the Agreement to be executed between the Company and Mr. Umesh Shastry are as follows:

Term	Five (5) Years w.e.f. 01.04.2017
Duties and Powers	Mr. Umesh Shastry shall, subject to the superintendence, control and directions of the Board, be responsible for day to day management and operations of the Company and carry out such duties and exercise such powers as may be entrusted to him by the Board from time to time.
Components of Remuneration	Amount ( in ₹)
Salary	100,000
House Rent Allowance	60% of Salary
Medical Reimbursement	One months' Salary
Leave Travel Concession	One month's Salary
Club Fees	30,000 per annum
Personal Accident Insurance	15,000 per annum
Provident Fund & Superannuation	Not to exceed 25% of Salary
Gratuity	As per applicable rules
Leave Encashment at the end of tenure	As per the leave rules of the Company
Car benefit/ Telephone/Cellular Phone	Free except when used for personal purpose

Except Mr. Umesh Shastry, none of the Directors and Key Managerial Personnel of the Company and their respective relatives are concerned or interested financially or otherwise, in the resolution set out at Item no.6.

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

Information required under Section 197(3) read with Schedule V of Companies Act, 2013 and Rule 7 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is as below:

#### I. General Information:

- (1) Nature of Industry: The Company is engaged in the manufacture of automotive forgings, Cast Iron cylinder liners and castings.
- (2) Date of commencement of commercial production: 2nd April, 1992.
- (3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus : Not Applicable