

SMITHS & FOUNDERS (INDIA) LIMITED

BOARD OF DIRECTORS

Suresh Shastry	<i>Managing Director</i>
Sathish Shastry	<i>Whole-Time Director (Till 31.03.2019)</i>
Umesh Shastry	<i>Whole-Time Director (Till 31.03.2019)</i>
Supriya Shastry	<i>Whole-Time Director</i>
V Parthasarathy	<i>Chairman & Independent Director</i>
Sudhindra N Kalghatgi	<i>Independent Director</i>
Shailaja Suresh	<i>Non-Executive & Non-independent Director (Wef 01.04.2019)</i>

CHIEF FINANCIAL OFFICER

Sadananda S Zutti (Wef 01.04.2019)

COMPANY SECRETARY & COMPLIANCE OFFICER

Ravi V

AUDITORS

B.N.Subramanya & Co.
Chartered Accountants
101, R.V-15, 'E' Block, 6th Main Road
Malleswaram, Bangalore - 560 003

REGISTRAR & TRANSFER AGENTS

Integrated Registry Management Services Private Limited
30, Ramana Residency, 4th Cross, Sampige Road
Malleswaram, Bangalore – 560003

REGISTERED OFFICE

No.505, 5th Floor, Brigade Rubix,
No.20, H M T Main Road, Bangalore - 560013

WORKS

1. Plot No N12 and N13,
Industrial Estate, Sagar Road,
Shimoga, Karnataka, 577204
2. Shed No M 7, 8, 9, 10,
Industrial Estate, Sagar Road,
Shimoga, Karnataka, 577204
3. SM10, Industrial Estate,
Sagar Road, Shimoga,
Karnataka, 577204

NOTICE

Notice is hereby given that the Twenty Eighth 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, August 31, 2019, 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, 2019 and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mrs. Supriya Shastri (DIN:01327762), who retires by rotation and being eligible, offers herself for re-appointment.
3. To appoint a Director in place of Mr. Suresh Shastri (DIN:01099554), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

4. Re- Appointment of Mr. V. Parthasarathy as an Independent 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 Section 149, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ('Act') and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. V. Parthasarathy (holding Director Identification Number 06761878), a Non Executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for re appointment, be and is hereby reappointed as an Independent Director of the Company, to hold office for a term of five consecutive years, from 14.02.2019 to 13.02.2024.”

5. Re-Appointment of Mr. Sudhindra Narayan Kalghatgi as an Independent 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 Section 149, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ('Act') and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Sudhindra Narayan Kalghatgi (holding Director Identification Number 06994850), a Non Executive

Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for reappointment, be and is hereby reappointed as Independent Director of the Company, to hold office for a term of five consecutive years, from 14.02.2019 to 13.02.2024.”

6. Appointment of Ms. Shailaja Suresh, as a Non-Executive Director

To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), Ms.Shailaja Suresh (DIN 01326440), who was appointed as an Additional Director of the Company by the Board of Directors, as per Section 161(1) of the Companies Act, 2013 and who holds office only up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing her candidature for the office of Director, be and is hereby appointed as Non-Executive Director of the Company, whose office is liable to retire by rotation.”

**By the Order of the Board
Ravi V**

Company Secretary & Compliance Officer

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 : 15.06.2019

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.

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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 Appointment of Ms. Shialaja Suresh, as a Non-Executive Director & the Directors proposed to be re-appointed are annexed hereto.
4. Register of Members and Share Transfer Books of the Company will remain closed from August 26, 2019, to August 31, 2019 (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 heir(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. A route map showing directions to reach the venue of the 28th 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 (India) Limited (CDSL).

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on 28th August, 2019 (9.00 a.m) and ends on 30th August, 2019 (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 23rd August, 2019 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/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 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.
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"> 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).

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- (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 & 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 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.
- (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, under help section or write an email 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 linked in the login 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.
 - The Company has appointed Mr. V Shivaprakash (Membership No. ACS 7488), 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 dispatch of the Notice and holds shares as on the cut-off date i.e., August 23, 2019, should follow the same procedure for e-Voting as mentioned above.
 - 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 e-Voting and communicated to the BSE Limited where the shares of the Company are listed.

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ANNEXUE TO THE NOTICE OF TWENTY EIGHTH ANNUAL GENERAL MEETING EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No.4&5

Appointment of Independent Directors

Mr. V. Parthasarathy

Mr. V. Parthasarathy is a Non-executive Independent Director of the Company. He joined the Board of Directors of the Company on 27th January, 2014. Mr. V. Parthasarathy's appointment as an Independent Director up to March 31, 2019, for a period of 5 years from the date of commencement of the Companies Act, 2013, was approved by the shareholders at the Annual General Meeting, held on 27.12.2014.

Pursuant to revised Clause 49 of the Listing Agreement, he is eligible for re-appointment for one more term of 5 years, after March 31, 2019.

This is not a case of appointment of a new independent Director and hence special notice and deposit of requisite amount is not required to be paid.

In the opinion of the Board, Mr. V. Parthasarathy fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his reappointment as an Independent Director of the Company and he is independent of the management. Copy of the draft letter for appointment of Mr. V.Parthasarathy 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.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. V. Parthasarathy, as an Independent Director. Mr. V.Parthasarathy is Chairman of the Board of Directors and the Audit Committee and is a member of the Nomination & Remuneration Committee and Stakeholders' Relationship Committee of the Board. The Board recommends the resolution in relation to re appointment of Mr. V.Parthasarathy as an Independent Director, for the approval by the members of the Company.

Except Mr. V. Parthasarathy, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, in the resolution set out at Item no.4.

Mr. Sudhindra Narayan Kalghatgi

Mr. Sudhindra Narayan Kalghatgi is a Non-executive Independent Director of the Company. He joined the Board of Directors of the Company on 14th November,2014. Mr. V. Sudhindra Narayan Kalghatgi's appointment as an

Independent Director up to March 31, 2019, for a period of 5 years from the date of commencement of the Companies Act, 2013, was approved by the shareholders at the Annual General Meeting, held on 27.12.2014.

Pursuant to revised Clause 49 of the Listing Agreement, he is eligible for re-appointment for one more term of 5 years, after March 31, 2019.

This is not a case of appointment of a new independent Director and hence special notice and deposit of requisite amount is not required to be paid.

In the opinion of the Board, Mr. Sudhindra Narayan Kalghatgi fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his reappointment as an Independent Director of the Company and he is independent of the management. Copy of the draft letter for appointment of Mr. Sudhindra Narayan Kalghatgi 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.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. V. Sudhindra Narayan Kalghatgi, as an Independent Director. Mr. Sudhindra Narayan Kalghatgi is Chairman of the Nomination & Remuneration Committee & Stakeholders' Relationship Committee and a member of the Audit Committee of the Board. The Board recommends the resolution in relation to re appointment of Mr. Sudhindra Narayan Kalghatgi as an Independent Director, for the approval by the members of the Company.

Except Mr. Sudhindra Narayan Kalghatgi, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, in the resolution set out at Item no.4.

Item No.6

Appointment of Ms. Shailaja Suresh, as a Non-Executive Director

In accordance with the provisions of Section 152 of the Companies Act, 2013, appointment of Director requires approval of members. Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors have proposed that Ms. Shailaja Suresh be appointed as Non-Executive Director on the Board, whose office is liable to retire by rotation.

The appointment of Ms. Shailaja Suresh shall be effective upon approval by the members at the Meeting. The Company has

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received a notice in writing from a member along with the deposit of requisite amount under Section 160 of the Act, proposing the candidature of Ms. Shailaja Suresh for the office of Director of the Company. Ms. Shailaja Suresh is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given her consent to act as a Director. Brief

Resume of Shailaja Suresh

Ms. Shailaja Suresh is a graduate in Science. She is one of the Promoters of the Company. It will be in the interest of the Company that Ms. Shailaja Suresh is appointed as a Non-Executive Director of the Company. Ms. Shailaja Suresh was appointed as an Additional Director by the Board in their meeting held on 19.04.2019. Ms. Shailaja Suresh is a member of the Nomination and Remuneration Committee of the Board of Directors of the Company.

Ms. Shailaja Suresh is holding 53,000 (0.05%) shares in the Company. The Board considers that her continued association would be of benefit to the Company. Accordingly, the Board

recommends the resolution in relation to appointment of Ms. Shailaja Suresh as a Non-Executive Director, for approval by the shareholders of the Company. Copy of the draft letter for appointment of Ms. Shailaja Suresh as a Non-Executive Director setting out the terms and conditions is available for inspection by members at the Registered Office of the Company. Ms. Shailaja Suresh is the spouse of Mr. Suresh Shastry, Managing Director and mother of Ms. Supriya Shastry, Executive Director.

Except Mr. Suresh Shastry, Managing Director and Ms. Supriya Shastry, Executive Director of the Company and Ms. Shailaja Suresh, 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 resolution set out at Item No. 4. This Explanatory Statement may also be regarded as a disclosure under Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Your Directors recommend the Resolution for your approval.

PARTICULARS OF DIRECTORS SEEKING RE-APPOINTMENT

(Pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

Particulars	Ms. Supriya Shastry	Mr. Suresh Shastry
DIN	01327762	01099554
Date of Birth	2/7/1985	12/11/1956
Date of Appointment	17/3/2014	22/10/1990
Qualifications	M.B.A-Finance	Advanced Diploma in Forge Technology (ADFT), NIF&FT, Ranchi
Expertise in specific functional areas	Has over 15 years experience in Accounts & Finance	Has over 38 years experience in Forging Industry
Number of Meetings of the Board attended during the year	5/5	5/5
Other Directorships/ Committee Chairmanships/ Memberships	None	None
Number of Shares held in the Company	1,86,33,125	2,80,90,175
Relationship between directors inter-se	Daughter of Mr. Suresh Shastry	Father of Ms. Supriya Shastry
Terms and conditions of appointment	As per Remuneration and Nomination Policy of the Company, as displayed on the Company's website	

Registered Office:

No.505, 5th Floor, Brigade Rubix, No.20, HMT Main Road, Bangalore 560 013
CIN : L85110KA1990PLC011303
E-mail Id: cosec@smithsandfoundersindia.com
Website: www.smithsandfoundersindia.com

By the Order of the Board

Ravi.V
Company Secretary & Compliance Officer

Place : Bangalore
Date : 15.06.2019

SMITHS & FOUNDERS (INDIA) LIMITED

DIRECTORS' REPORT

Dear Members,

Your Directors present the Twenty Eighth Annual Report, together with the Audited Statements of Account for the financial year ended March 31, 2019.

1. FINANCIAL RESULTS.

During the year under review the Company has achieved the following financial results:

Particulars	Rs. in Lakhs	
	31.03.2019	31.03.2018
Revenue from operations	1015.77	882.87
Other Income	5.11	1.02
Profit /(Loss) before Financial Charges, Depreciation, Taxation and Prior Period items	-52.64	42.42
Less: Depreciation	29.42	26.36
Less: Finance Costs	28.32	24.25
Profit /(Loss) before Taxation and Prior Period items	(110.38)	(8.19)
Profit /(Loss) for the year	(110.38)	(8.19)
Net Profit/(Loss) for the year	(110.38)	(8.19)
Balance of Profit/(Loss) brought forward from last year	(805.16)	(796.97)
Profit/(Loss) Carried forward to Balance sheet	(915.54)	(805.16)

2. OVERVIEW OF COMPANY PERFORMANCE:

During the year under review sales has registered an increase of 15.06 % compared to previous year.

The loss has gone up steeply due to increase in direct costs, unwillingness of customers to pay higher price for the product due to huge increase in costs of materials and below par demand for your company's products during the later half of the 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, 2019.

During the year under review no amount was transferred to General Reserve.

4. SHARE CAPITAL:

The Paid Up Capital of the Company as at March 31, 2019 stood at Rs. 10,19,96,525/-. During the year under review, the Company has not issued shares with differential voting rights nor has granted any stock options or sweat equities. As on March 31, 2019 none of the Directors of the Company hold instruments convertible into equity shares of the Company.

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. DIRECTORS:

To comply with Corporate Governance requirements changes have taken place in the composition of the Board of Directors of your Company and presently the Board comprises the following directors.

Directors	Category
1. Mr. V. Parthasarathy	Chairman & Non-Executive, Independent Director
2. Mr. Suresh Shastry	Promoter, Managing Director
3. Mrs. Shailaja Suresh	Promoter, Non-Executive Director
4. Mrs. Supriya Shastry	Non Promoter, Executive Director
5. Mr. Sudhindra Narayan Kalghatgi	Non-Executive, Independent Director

Mr. Umesh Shastry and Mr. Sathish Shastry, Executive Directors have resigned from The Board of Directors of the Company, with effect from 01.04.2019, to facilitate your company complying with the requirement, that the Board

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of directors will have an optimum combination of executive and non – executive directors, with not less than fifty per cent of the board of directors comprising of non-executive directors, in line with the provisions of corporate governance, as per SEBI (LODR), Regulations, 2015.

Your Company places on record its sincere appreciation for the excellent work carried out by the outgoing Directors, Mr. Umesh Shastry and Mr. Sathish Shastry.

The Mr.V.Parthasarathy and Mr. Sudhinda Narayan Kalghatgi, Independent Directors have been reappointed for a further period of five years, from 14.02.2019 to 13.02.2024, in line with the provisions of the Companies Act, 2013 and the listing agreement and the same is subject to approval of the shareholders, at the ensuing Annual General Meeting.

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 Regulation 16(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Mrs. Shailaja Suresh has been appointed, with effect from 01.04.2019, as an Additional Non- Executive Director, on the Board of Directors of the Company, pursuant to Section 161 and other applicable provisions of the Companies Act, 2013 & subject to confirmation by the shareholders at the ensuing AGM.

In accordance with the provisions of Section 152 of the Companies Act, 2013 and the Company's Articles of Association, Ms. Supriya Shastry, Director and Mr. Suresh Shastry, Managing Director, retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment. The Board recommends their re-appointment, for consideration of the Members of the Company at the ensuing Annual General Meeting.

During the year under review, there was no change in the Board of Directors of the Company.

7. NUMBER OF MEETINGS OF THE BOARD:

During the Financial Year 2018-19, 5 (five) meetings of the Board were held, details of which are given in the Corporate Governance Report.

8. KEY MANAGERIAL PERSONNEL:

The following are the Key Managerial Personnel of the Company:

- | | |
|--------------------|--|
| 1. Suresh Shastry | - Managing Director |
| 2. Supriya Shastry | - Whole Time Director |
| 3. Umesh Shastry | - Whole Time Director
(till 31.03.2019) |
| 4. Sathish Shastry | - Whole Time Director
(till 31.03.2019) |

5. Mr. Sadaanand S Zutti - Chief Financial Officer
(wef 01.04.2019)

6. Ravi.V - Company Secretary

9. COMMITTEES OF THE BOARD:

The Board of Directors has the following Committees:

1. Audit Committee
2. Remuneration and Nomination Committee
3. Stakeholders' Relationship Committee &
4. Share Transfer Committee

Details of the Committee/s along with their composition, number of meetings and attendance at the meetings are provided in the Corporate Governance Report.

10. BOARD EVALUATION:

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a structured questionnaire was prepared after taking into consideration the various aspects of Board's functioning, composition of the Board and its Committees and performance of specific duties, obligations and governance.

The performance evaluation of Independent Directors was completed. The performance evaluation of the Chairman and Non-Independent Directors was carried out by the Independent Directors through a meeting of Independent Directors.

11. 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.

12. 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.

13. 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

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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, 2019 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 annual accounts have been prepared on a 'going concern' basis;
- e) the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- f) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

14. 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.

15. REMUNERATION AND NOMINATION POLICY:

The Board of Directors has 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.

16. RELATED PARTY TRANSACTIONS:

During the year under review the Company has not entered into any transaction with any related party attracting the provisions of Section 188 of the Companies Act, 2013 and the Rules made thereunder. The disclosure required pursuant to clause (h) of sub-section (3) of Section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014 in Form AOC 2 is given in Annexure-C and forms an integral part of this report. Further there are no material related party transactions during the year under review with the Promoter, Directors or Key Managerial Personnel.

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.

17. VIGIL MECHANISM /WHISTLE BLOWER POLICY:

The Company has a Whistle Blower Policy to report genuine concerns or grievances. The Whistle Blower Policy of the Company can be accessed on the Company's website at www.smithsandfoundersindia.com

18. 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.

19. 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.

20. CORPORATE GOVERNANCE:

As per Regulations 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate section on corporate governance practices followed by the Company, together with a Certificate from the Company's Auditors confirming compliance forms an integral part of this Report.

21. MANAGEMENT DISCUSSION AND ANALYSIS:

The Report on Management Discussion and Analysis forms part of this Report. Certain statements in this section may be forward looking. Many factors may affect the actual results, which could be different from that the Directors envisage in terms of the future performance and outlook.

22. COMPLIANCE WITH SECRETARIAL STANDARDS

Your Company has complied with Secretarial Standards, SS-1 and SS-2, issued by The Institute of Company Secretaries of India. Secretarial Standard, SS-3 is not applicable to your Company.

23. SECRETARIAL AUDIT:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Rules made thereunder, the Company has appointed Mr. V Shivaprakash, Practicing Company Secretary 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 company has been given certain relaxation in respect of composition of Board of Directors for the period 20.02.2014 to 19.02.2019 as per rehabilitation scheme sanctioned by Hon'ble BIFR (Bureau for Industrial & Financial Reconstruction) during the year 2014.

The company has, however, reconstituted the Board as per requirement of composition of Board of Directors from 01.04.2019.

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24. 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 Seventh Annual General Meeting, held on 29th September 2018, until the conclusion of the Thirty Second Annual General Meeting to be held in the year 2023.

The Auditors' Report does not contain any qualification, reservation or adverse remark on the financial statements for the year ended March 31, 2019. The statements made by the Auditors in their Report are self-explanatory and do not call for any further comments.

25. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS:

The adjudication officer, Securities and Exchange Board of India (SEBI) has passed an order on 20.12.2018, levying a penalty of Rs.4,00,000/- for non compliance with Minimum Public Shareholding (MPS) requirements, for the period from 20.02.2017 to 10.10.2017.

The rehabilitation scheme sanctioned by Hon. BIFR (Board for Industrial & Financial Reconstruction) in the year 2014 had given directions, as to categorisation of promoters and based on the same your Company had always complied with MPS requirements.

Based on your Company's representation SEBI, Corporate Finance Department of Hon. SEBI had accepted the categorisation of promoters, on the basis of the directions of Hon. BIFR and had advised the Company to file revised share holding pattern, for the earlier periods and your company had complied with the same.

Also, your Company had filed an appeal with Securities Appellate Tribunal, contesting the order of the adjudication officer, Securities and Exchange Board of India.

26. CONTINGENT LIABILITY:

The notes forming part of the financials cover fine proposed by BSE Limited towards Corporate Governance compliance requirements and relating to demand in respect of Company's Income Tax Assessment pending for the financial year 2015-16.

27. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The Company has an adequate internal control system commensurate with its size and nature of its business.

28. HEALTH, SAFETY AND ENVIRONMENT:

The health and safety of the workforce is of paramount importance. The Company aims to provide a workplace that is free from any occupational hazards or illness.

29. SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013.

During the year under review the Company has not received any complaint under the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013.

30. MATERIAL CHANGES AND COMMITMENT, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY.

No material changes and commitment affecting the financial position of the Company occurred between the end of the financial year to which this financial statement relates and the date of this report.

31. STATUTORY INFORMATION

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo pursuant to Section 134 (3)(m) of the Companies Act, 2013, read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is given in Annexure-E, which forms part of this Report.

There were no employees employed throughout the year who were in receipt of remuneration of Rs. 1.02 Crore per annum or more. There were no employees employed for part of the year who were in receipt of remuneration of Rs. 8.50 Lakhs per month or more. During the year under review the Company had 75 employees.

The information required under Section 197(12) of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and forming part of the Directors' Report for the year ended March 31, 2019 is given in Annexure-F to this Report.

32. ACKNOWLEDGEMENTS:

Your Directors wish to place on record their appreciation, for the contribution made by the employees at all levels but for whose hard work and support, your Company's achievements would not have been possible. Your Directors also wish to thank its Members, Government Authorities, Banks, Customers and Vendors for their sustained support to the Company.

By the Order of the Board

Place : Bangalore
Date : 29.05.2019

Suresh Shastry
Managing Director