

31st

ANNUAL REPORT

2021 - 2022



SMITHS & FOUNDERS (INDIA) LIMITED

CIN: L85110KA1990PLC011303

SMITHS & FOUNDERS (INDIA) LIMITED**BOARD OF DIRECTORS**

| | |
|-----------------------|--|
| Suresh Shastry | Chairman & Managing Director |
| Supriya Shastry | Whole-Time Director (Till 05.05.2021) |
| V Parthasarathy | Independent Director |
| Sudhindra N Kalghatgi | Independent Director |
| Shailaja Suresh | Non-Executive & Non Independent Director |
| Manjunath K H | Independent Director (Till 30.04.2021) |

CHIEF FINANCIAL OFFICER

Sadananda S Zutti

**COMPANY SECRETARY &
COMPLIANCE OFFICER**

Roopashree B Shettigar

AUDITORS

B.N.Subramanya & Co.
Chartered Accountants
101, R.V-15, 'E ' Block, 6th Main Road
Malleswaram, Bangalore – 560003

**REGISTRAR &
TRANSFER AGENTS**

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

SMITHS & FOUNDERS (INDIA) LIMITED**REGSISTERED OFFICE**

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

WORKS

Plot No N12 and N13, Industrial Estate, Sagar Road, Shimoga,
Karnataka, 577204

E-MAILcosec@smithsandfoundersindia.com**WEBSITE**www.smithsandfoundersindia.com

Notice

Notice is hereby given that the Thirty First Annual General Meeting of the Members of **Smiths & Founders (India) Limited** will be held on Thursday, September 29, 2022 at IST 11.00 a.m. through Video Conferencing / Other Audio Visual Means ("VC") 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, 2022 and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mrs. Shailaja Suresh (DIN: 01326440), who retires by rotation and being eligible, offers herself for re-appointment.

SPECIAL BUSINESS:

3. Appointment of Mr. R. Ramesh Rao 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 relevant applicable regulation(s) of the SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015 and based on the recommendation of Nomination and Remuneration Committee Mr. R. Ramesh Rao (holding Directors Identification Number 09434109), who was appointed as an Additional Director and also as an Independent Director of the Company by the Board of Directors with effect from 10.08.2022 and who holds the said office pursuant to the provisions of Section 161 of the Companies Act, 2013 up to the date of this Annual General Meeting and who is eligible for appointment under the relevant provisions of the Companies Act, 2013, and in respect of whom the Company has received a notice in writing from a member signifying his intention to propose him as a candidate for the office of the Director, be and is hereby appointed as Independent Director of the Company, to hold office for a term of five consecutive years with effect from 10.08.2021 to 09.08.2027 and he shall not be liable to retire by rotation."

4. Related Party Transaction/Arrangements

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

“RESOLVED THAT pursuant to Section 188 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 and any other applicable provisions including any amendment, modification or re-enactment thereof, approval of the members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the “Board” which term shall be deemed to include the Audit Committee of Board) for entering into, carrying out and/or continuing with the transactions and arrangements (whether by way of an individual transaction or transactions taken together or series of transactions or otherwise), with the related party, whether by way of renewal(s) or extension(s) or modification(s) of earlier arrangements/ transactions or otherwise, with respect to the transactions entered into or to be entered into with them in terms of Section 188 of the Act, as fully set out in the explanatory statement pursuant to Section 102(1) of the Companies Act, 2013, annexed to this Notice, notwithstanding that each of these related party transactions, may exceed the limits prescribed under Section 188 of the Companies Act, 2013 and/or any other statutes or regulations including the materiality threshold prescribed under Regulation 23 of the Listing Regulations, as may be applicable from time to time, without being required to seek any further consent or approval of the members.

RESOLVED FURTHER THAT pursuant to Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), and other applicable Regulations thereunder and the applicable provisions of the Companies Act, 2013 (‘Act’) read with related rules, if any, including any amendment, modification, variation or re-enactment thereof, the approval of the Members be and is hereby accorded to the Board to enter into, carrying out and/or continuing with the transactions, arrangements and contracts (whether by way of an individual transaction or transactions taken together or series of transactions or otherwise) Mr. Suresh Shastry, (Promoter), being a related party, from the conclusion of this Annual General Meeting until the conclusion of the 32nd Annual General Meeting of the Company or such other period as may be statutorily allowed/ permitted, whether by way of renewal(s) or extension(s) or modification(s) of earlier arrangements/ transactions or otherwise including the transactions of routine banking transactions and other transactions in the ordinary course of business more specifically set out in the explanatory statement pursuant to Section 102(1) of the Companies Act, 2013, annexed to this Notice; notwithstanding that all the above transactions individually or in the aggregate, may exceed the limits prescribed under Regulation 23 of Listing Regulations or any other materiality threshold as may be applicable from time to time and all actions taken by the Board in connection with the transactions since April 1, 2022, within the limits and are hereby approved, ratified and confirmed in all respects.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds, matters and things and execute all such agreements, documents, instruments, writings, as may be required, take such steps as may be necessary for obtaining approvals, statutory, contractual or otherwise in relation to the above, with power to settle all questions, difficulties and doubts that may arise in relation to the above as it may in its sole and absolute discretion deem fit and to delegate all or any of its powers herein conferred to any Committee of Directors and/or directors and/or officers of the Company, to give effect to these resolutions.”

5. **To borrow amounts over and above the paid up Capital of the Company**

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

“RESOLVED THAT the consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company, pursuant to Section 180(1)(c) and all other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, including any amendment(s), modification(s), variation(s) or re-enactment(s) thereof, the Board of Directors be and are hereby authorized and shall be deemed to have always been so authorised to raise or borrow from time to time at its discretion, either from Company’s bankers or from directors or from elsewhere on such terms and conditions as to the repayment, interest or otherwise as it thinks fit, such sums as may be necessary for the purpose of the Company up to a limit of Rs. 10 Crores (Rupees Ten Crores only) over and above the aggregate of paid up capital and free reserves of the Company, outstanding at any one time and that such borrowing shall be excluding of temporary loans obtained or to be obtained by the company from the Company’s bankers in the ordinary course of business”

6. **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, 2022 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”.

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: 07.09.2022

By the Order of the Board

Sd/-

**Roopashree B Shettigar
Company Secretary & Compliance
Officer**

NOTES:

1. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") had vide its General Circular Nos. 14/2020, 17/2020, 20/2020 and 02/2021 dated April 8, 2020, April 13, 2020, May 5, 2020 and January 13, 2021, Circular No. 19 dated December 08, 2021, Circular No. 21 dated December 14, 2021 and Circular No. 02 dated May 05, 2022 "MCA Circulars" and Securities and Exchange Board of India vide its Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 and Circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 and Circular No. SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022 issued by SEBI permitted companies to hold Annual General Meeting ('AGM') through respectively (collectively referred to as "MCA circulars") permitted the holding of the Annual General Meeting ("AGM") through VC, without the physical presence of the members at a common venue. Hence, in compliance with the MCA circulars and the provisions of the Act, SEBI (Listing Obligations and Disclosure Requirements), 2015 ("SEBI Listing Regulations") the 31st AGM of the Company is being held through VC.

The Deemed Venue for the 31st AGM shall be the Registered office of the Company.

2. The explanatory statement pursuant to section 102 of the Act, setting out the material facts concerning the Special Business in the Notice is annexed hereto and forms part of this Notice. The relevant details pursuant to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards on General Meetings issued by the Institute of Company Secretaries of India ("ICSI") in respect of Directors seeking re-appointments at this meeting are also annexed.
3. The relevant details, pursuant to Regulations 26(4) and 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), in respect of Director(s) seeking appointment/re-appointment at this AGM is annexed.
4. **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. Since the AGM is being held pursuant to the MCA Circulars through VC, physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for this AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice. However, Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC and participate thereat and cast their votes through e-voting.**
5. The Members can join the AGM in the VC mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC will be made available to at least 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

6. Members attending the AGM through VC shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
7. Members desirous of seeking information in respect of Accounts of the Company are requested to send their queries to accounts@smithsandfoundersindia.com on or before September 28 2022.
8. During the 31st AGM, Members may access the scanned copy of the Register of Directors and Key Managerial Personnel and their shareholding maintained under section 170 of the Act and the register of contracts and arrangements in which the Directors are interested, maintained under section 109 of the Act, upon logging in to CDSL e-voting system.
9. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM through e-voting.
10. Register of Members and Share Transfer Books of the Company will remain closed from September 23, 2022, to September 29, 2022 (both days inclusive) for the purpose of 31st AGM.
11. 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.
12. As per the provisions of Section 72 of the Companies Act, 2013 (the "Act") the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. The said form can be downloaded from the Company's website www.smithsandfoundersindia.com (under 'Investors' section). Members are requested to submit the said details to their DP in case the shares are held by them in electronic form and to Company's Registrar and Transfer Agent – Integrated Registry Management Services Private Limited, in case the shares are held by them in physical form.
13. 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.
14. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's Registrar and Transfer Agent – Integrated Registry Management Services Private Limited for assistance in this regard.

15. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are therefore, requested to submit the PAN to their Depository Participant ("DP") with whom they are maintaining their demat account. Members holding shares in physical form can submit their PAN details to the Registrar and Transfer Agent – Integrated Registry Management Services Private Limited.
16. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/ mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DPs in case the shares are held by them in electronic form and to the Company's Registrars and Transfer Agents, Integrated Registry Management Services Private Limited for shares held in physical form, with relevant documents that may be required.
17. In view of the COVID-19 pandemic and resultant difficulties involved in dispatch of physical copies of the Annual Report, the MCA, vide its Circular dated May 5, 2020 has dispensed with the requirement of dispatch of physical copies of the Annual Report. Accordingly, the Notice of the AGM along with the Annual Report 2021-22 is being sent only by electronic mode to those Members whose email addresses are registered with the Company/Depositories. Members may note that the Notice and Annual Report 2021-22 will also be available on the Company's website www.smithsandfoundersindia.com, websites of the Stock Exchanges i.e. BSE Limited at www.bseindia.com and on the website of CDSL <https://www.evoting.cdsl.com>. For any communication, the shareholders may also send requests to the Company's dedicated investor email-id: cosec@smithsandfoundersindia.com.

18. Voting through electronic means

Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.

The instructions for shareholders voting electronically and joining virtual Meetings are as under:

- i. The voting period begins on September 26, 2022 (9.00 a.m.) and ends on September 28, 2022 (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 (record date) of September 22, 2022 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- ii. Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.

- iii. Pursuant to SEBI Circular No. **SEBI/HO/CFD/CMD/CIR/P/2020/242** dated **09.12.2020**, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to **all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants**. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

- iv. In terms of **SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020** on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to abovesaid SEBI Circular, Login method for e-Voting and joining virtual meetings **for Individual shareholders holding securities in Demat mode CDSL/NSDL** is given below:

| Type of shareholders | Login Method |
|---|---|
| Individual Shareholders holding securities in Demat mode with CDSL | <ol style="list-style-type: none"> 1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login <u>or</u> visit www.cdslindia.com and click on Login icon and select New System Myeasi. 2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly. 3. If the user is not registered for Easi/Easiest, option to |