



25<sup>th</sup>


ANNUAL REPORT

2015 - 2016



**Smiths & Founders (India) Limited**

CIN: L85110KA1990PLC011303



## Smiths & Founders (India) Limited

---

<b>BOARD OF DIRECTORS</b>	Suresh Shastry	<i>Chairman &amp; Managing Director</i>
	Satish Shastry	<i>Whole-time Director</i>
	Umesh Shastry	<i>Whole-time Director</i>
	Supriya Shastry	<i>Whole-time Director</i>
	V.Parthasarathy	<i>Independent Director</i>
	Sudhindra N Kalghatgi	<i>Independent Director</i>

**COMPANY SECRETARY &  
COMPLIANCE OFFICER**

Naveen K Shenoy ( upto 25.04.2016)  
Hareesha Gowda ( w.e.f. 25.04.2016)

**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 Enterprises (India) 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 Fifth 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 24, 2016 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, 2016 and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Ms. 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.
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".

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

**By the Order of the Board**  
**HAREESHA GOWDA**  
*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 : 11.08.2016

### 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 17.09.2016 to 24.09.2016 (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

## Smiths & Founders (India) Limited

registered addresses at an early date, in case of Shares held in physical form; b) intimate to the respective Depository Participant, changes, if any, in their registered address at an early date, in case of Shares held in dematerialised form; c) quote their folio number/Client ID/DP ID in all correspondence and d) consolidate their holdings into one folio in case they hold Shares under multiple folios in the identical order of names.

9. Members are requested to note that in case of transfers, deletion of name of deceased shareholder, transmission and transposition of names in respect of shares held in physical form, submission of photocopy of PAN Card of the transferee(s), surviving holder(s), legal(s) and joint holder(s) respectively, along with necessary documents at the time of lodgement of request for these transactions, is mandatory.

10. Your Company supports in full measure the 'green initiative' of the Ministry of Corporate Affairs under which, service of notices/documents including Annual Report, can be effected by sending the same through electronic mode to the registered e-mail addresses of the shareholders. To support this green initiative of the Government, members who would like to receive such notices/documents in electronic mode and who have not registered their e-mail addresses so far, are requested to do so by sending a request to the Company's Share Transfer Agent mentioning their folio number and e-mail addresses to which such documents can be sent. For shareholders holding shares in electronic form, such request can also be sent electronically to [cosec@smithsandfoundersindia.com](mailto: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 25th 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 21st September, 2016 (9.00 a.m) and ends on 23rd September, 2016 (5.00 p.m.). During this period, shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. 16th September, 2016, 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.
- (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:

<b>For Members holding shares in Demat Form and Physical Form</b>	
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)	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.  • 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).
--	--

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the relevant EVSN of Smiths and Founders India Limited on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xvii) If a demat account holder has forgotten the password then Enter the User ID and the image verification code

and click on Forgot Password & enter the details as prompted by the system.

- (xviii) 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. 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.

## Smiths & Founders (India) Limited

- 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 16, 2016, 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.

### ANNEXUE TO THE NOTICE OF TWENTY FIFTH ANNUAL GENERAL MEETING PARTICULARS OF DIRECTORS SEEKING RE-APPOINTMENT

(in pursuance of 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 12 years experience in Accounts & Finance	Has over 35 years experience in Forging Industry
Number of Meeting of the Board attended during the year	6/6	6/6
Other Directorships/ Committee Chairmanships/ Memberships	None	None
Number of Shares held in the Company	19527125	32434026
Relationship between directors inter-se	Daughter of Mr. Suresh Shastry and niece of Mr. Satish Shastry and Mr. Umesh Shastry	Brother of Mr.Satish Shastry and Mr.Umesh Shastry and 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	

By the Order of the Board

**HAREESHA GOWDA**  
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](mailto:cosec@smithsandfoundersindia.com)  
Website: [www.smithsandfoundersindia.com](http://www.smithsandfoundersindia.com)  
Place : Bangalore  
Date : 11.08.2016

## DIRECTORS' REPORT

Dear Members,

Your Directors present the Twenty Fifth Annual Report together with the Audited Statements of Account for the financial year ended March 31, 2016.

### 1. FINANCIAL RESULTS:

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

Particulars	31.03.2016	31.03.2015
Revenue from operations	<b>781.69</b>	653.85
Other Income	<b>86.38</b>	9.28
Profit/(Loss) before Financial Charges, Depreciation, Taxation and Prior Period items	<b>(6.80)</b>	(53.02)
Less: Finance Costs	<b>96.43</b>	88.11
Profit/(Loss) before Depreciation, Taxation and Prior Period items	<b>(103.23)</b>	(141.13)
Less: Depreciation	<b>34.70</b>	39.41
Profit/(Loss) before Taxation and Prior Period items	<b>(137.93)</b>	(180.54)
Less: Taxation (Including Deferred Tax)	<b>14.00</b>	0.00
Profit/(Loss) for the year	<b>(151.93)</b>	(180.54)
Less: Prior period items	<b>0.00</b>	0.00
Net Profit/(Loss) for the year	<b>(151.93)</b>	(180.54)
Balance of Profit/(Loss) brought forward from last year	<b>(506.38)</b>	(325.84)
Profit/(Loss) Carried forward to Balance sheet	<b>(773.88)*</b>	(506.38)

\* Includes ₹ 115.57 Lakhs additional depreciation charged to accumulated losses in FY 2014-15 pursuant to provisions of Companies Act, 2013.

### 2. OVERVIEW OF COMPANY PERFORMANCE:

During the year under review sales of your Company has registered a healthy growth of about 20%. Loss has come down from ₹ 180.54 Lakhs to ₹ 151.93 Lakhs due to profit on sale of assets.

#### **Progress of Rehabilitation and measures initiated by the Company to improve its financial performance:**

Towards its rehabilitation, the Company has already begun implementation of various measures for improvement in its financial performance. As a first step towards this, during the year under review, the Company has sold its unit at Chikkaballapura, which has been lying idle since 2009. The sale proceeds has been used to repay bank borrowings fully and unsecured loan from Directors, partially. As the transaction took place towards the end of the financial year, its impact could be felt from financial year 2016-17 onwards, in terms of lower interest cost, which was around 13% in the last 2 years. The Company has taken several

steps for operational restructuring which are expected to lead to higher efficiency/cost savings in the times to come. The above measures will result in improved turnover and profitability and optimum utilization of available infrastructure.

As such the Company has also well laid strategy for future growth with clearly identified growth drivers to sustain and boost its revenues and profitability over the short, medium to long term.

The Board of Directors believes that the Company will be able to recover and recoup and gain newer heights in the years to come.

### 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, 2016.

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

## Smiths & Founders (India) Limited

---

### 4. SHARE CAPITAL:

The Paid Up Capital of the Company as at March 31, 2016 stood at ₹ 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, 2016 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:

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, Director, retires by rotation at the ensuing Annual General Meeting and being eligible offers themselves for re-appointment. The Board recommends their re-appointment for the consideration of the Members of the Company 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.

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

### 7. NUMBER OF MEETINGS OF THE BOARD:

During the Financial Year 2015-16, 6 (Six) 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 - Chairman and Managing Director
2. Supriya Shastry - Whole Time Director
3. Satish Shastry - Whole Time Director
4. Umesh Shastry - Whole Time Director
5. Naveen Shenoy - Company Secretary (Upto 25.04.2016)
6. Hareesha Gowda - Company Secretary (w.e.f. 25.04.2016)

### 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

Details of the Committee 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](http://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 had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at March 31, 2016 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 have framed a policy which lays down a framework in relation to remuneration of Directors, Key Managerial Personnel and Senior Management of the Company. The policy also lays down criteria for selection and appointment of Board Members. The Policy is given in **Annexure-B** and forms an integral part of this report.

#### **16. RELATED PARTY TRANSACTIONS:**

During the year under review the Company has entered into a transaction with a related party on arm's length basis and in the ordinary course of business thereby not attracting the provisions of Section 188 of the Companies Act, 2013 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](http://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](http://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. SECRETARIAL AUDIT:**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Rules made thereunder, the Company has appointed Naveen K. Shenoy, Practising 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 Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

#### **23. AUDITORS:**

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

## Smiths & Founders (India) Limited

---

after the Annual General Meeting held on December 27, 2014.

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

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

The Auditors' Report does not contain any qualification, reservation or adverse remark on the financial statements for the year ended March 31, 2016. The statements made by the Auditors in their Report are self-explanatory and do not call for any further comments.

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

There are no significant and material orders passed by the Regulators/Courts/Tribunals that would impact the going concern status of the Company and its future operations.

### 25. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

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

### 26. 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.

### 27. 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.

### 28. 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.

### 29. 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 77 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, 2016 is given in **Annexure-F** to this Report.

### 30. 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 continued unstinted support to the Company.

By the Order of the Board

Place: Bangalore  
Date: 11.08.2016

**SURESH SHASTRY**  
Chairman & Managing Director

**FORM NO. MGT 9**

**EXTRACT OF ANNUAL RETURN**

**As on financial year ended on 31.03.2016**

**Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management & Administration) Rules, 2014.**

**I. REGISTRATION & OTHER DETAILS:**

1.	CIN	L85110KA1990PLC011303
2.	Registration Date	22/10/1990
3.	Name of the Company	Smiths & Founders (India) Limited
4.	Category/Sub-category of the Company	Company Limited by Shares / Indian Non-government Company
5.	Address of the Registered office & contact details	No.505, 5th Floor, Brigade Rubix, No.20, HMT Main Road, BANGALORE 560 013 Phone: 080-64503851, Fax: 080-23340863
6.	Whether listed company	Yes
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Integrated Enterprises (India) Limited 30, Ramana Residency, 4th Cross, Sampige Road, Malleswaram, Bangalore 560 003 Phone: 080-23460815/6/7/8, Fax: 080-23460819

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY** (All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

S.No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Manufacture of closed die steel forgings, cast iron castings & cast iron cylinder liners	7326	100

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -**

S.No	Name and Address of the Company	CIN/GIN	Holding/Subsidiary/ Associate	% of shares held	Applicable Section
			NIL		

## Smiths & Founders (India) Limited

### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

#### i. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on April 1, 2015]				No. of Shares held at the end of the year [As on March 31, 2016]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoter s</b>									
(1) Indian									
a) Individual/ HUF	97679457	0.00	97679457	95.77	97677051	0.00	97677051	95.76	0.01
b) Central Govt	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
c) State Govt(s)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
d) Bodies Corp.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
e) Banks / FI	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
f) Any other	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total shareholding of Promoter (A)</b>	<b>97679457</b>	<b>0.00</b>	<b>97679457</b>	<b>95.77</b>	<b>97677051</b>	<b>0.00</b>	<b>97677051</b>	<b>95.77</b>	<b>0.00</b>
<b>B. Public Shareholding</b>									
1. Institutions	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
a) Mutual Funds	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
b) Banks / FI	6100	0	6100	0.01	6100	0	6100	0.01	0.00
c) Central Govt	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
d) State Govt(s)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
e) Venture Capital Funds	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
f) Insurance Companies	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
g) FIs	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
h) Foreign Venture Capital Funds	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
i) Others (specify)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Sub-total (B)(1):-</b>	<b>6100</b>	<b>0.00</b>	<b>6100</b>	<b>0.01</b>	<b>6100</b>	<b>0.00</b>	<b>6100</b>	<b>0.01</b>	<b>0.00</b>
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	101991	132800	234791	0.23	133366	132400	265766	0.26	0.03
ii) Overseas	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
b) Individuals	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	3018214	901241	3919455	3.84	2999786	882906	3882692	3.81	(0.03)

## TWENTY FIFTH ANNUAL REPORT 2015-16

Category of Shareholders	No. of Shares held at the beginning of the year [As on April 1, 2015]				No. of Shares held at the end of the year [As on March 31, 2016]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	110021	0.00	110021	0.11	110021	0.00	110021	0.11	0.00
c) Others (specify)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Non Resident Indians	14009	300	14309	0.01	14156	300	14456	0.01	0.00
Overseas Corporate Bodies	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Foreign Nationals	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Clearing Members	31492	0.00	31492	0.03	39539	0.00	39539	0.04	0.01
Trusts	900	0.00	900	0.00	900	0.00	900	0.00	0.00
Foreign Bodies	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Sub-total (B)(2):-</b>	<b>3276627</b>	<b>1034341</b>	<b>4310968</b>	<b>4.23</b>	<b>3297768</b>	<b>1015606</b>	<b>4313374</b>	<b>4.23</b>	<b>0.00</b>
Total Public Shareholding (B)=(B)(1)+ (B)(2)	<b>3282727</b>	<b>1034341</b>	<b>4317068</b>	<b>4.23</b>	<b>3303868</b>	<b>1015606</b>	<b>4319474</b>	<b>4.23</b>	<b>0.00</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Grand Total (A+B+C)</b>	<b>100962184</b>	<b>1034341</b>	<b>101996525</b>	<b>100.00</b>	<b>100980919</b>	<b>1015606</b>	<b>101996525</b>	<b>100.00</b>	<b>0.00</b>

### ii) Shareholding of Promoters-

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Suresh Shastry	32502932	31.87	N.A.	32434026	31.80	N.A.	(0.07)
2	Supriya Shastry	19527125	19.14	N.A.	19527125	19.14	N.A.	0.00
3	Sathish Shastry	18024000	17.67	N.A.	18024000	17.67	N.A.	0.00
4	Sachin Shastry	12585125	12.34	N.A.	12585125	12.34	N.A.	0.00
5	Umesh Shastry	6988150	6.85	N.A.	6988150	6.85	N.A.	0.00
6	Hema Sathish	6325875	6.20	N.A.	6325875	6.20	N.A.	0.00
7	Aneesh Umesh Shastry	977550	0.96	N.A.	977550	0.96	N.A.	0.00
8	Amrutha Umesh Shastry	250000	0.25	N.A.	250000	0.25	N.A.	0.00
9	Shailaja Suresh	250000	0.25	N.A.	250000	0.25	N.A.	0.00
10	S. Ananda Halambi	176225	0.17	N.A.	176225	0.17	N.A.	0.00
11	Kashinath Shivaramasastry	37500	0.04	N.A.	7832	0.01	N.A.	(0.03)
12	Kamala Kashinath	34975	0.03	N.A.	131143	0.13	N.A.	0.10

## Smiths & Founders (India) Limited

### iii) Change in Promoters' Shareholding (please specify, if there is no change)

SN	Particulars	Shareholding at the beginning of the year - 01.04.2015		Increase/ Decrease in No. of shares	Cumulative Shareholding during the year - 31.03.2016	
		No. of shares	% of total shares of the company		No. of shares	% of total shares of the company
<b>1</b>	<b>Suresh Shastry</b>					
i	At the beginning of the year	32502932	31.87	0	32502932	31.87
	<b>a. Decrease - Transfer/Sale</b>					
	26.06.2015			-2590	32500342	31.86
	03.07.2015			-658	32499684	31.86
	10.07.2015			-5	32499679	31.86
	31.12.2015			-180	32499499	31.86
	08.01.2016			-17325	32482174	31.84
	15.01.2016			-15040	32467134	31.83
	22.01.2016			-34300	32432834	31.79
	<b>b. Increase - Transfer/Purchase</b>					
	10.04.2015			10	32432844	31.79
	17.04.2015			50	32432894	31.79
	24.04.2015			60	32432954	31.80
	01.05.2015			60	32433014	31.80
	08.05.2015			10	32433024	31.80
	15.05.2015			20	32433044	31.80
	22.05.2015			10	32433054	31.80
	05.06.2015			10	32433064	31.80
	12.06.2015			71	32433135	31.80
	19.06.2015			10	32433145	31.80
	30.06.2015			10	32433155	31.80
	28.08.2015			30	32433185	31.80
	04.09.2015			40	32433225	31.80
	11.09.2015			76	32433301	31.80
	18.09.2015			40	32433341	31.80
	30.09.2015			10	32433351	31.80
	09.10.2015			390	32433741	31.80
	16.10.2015			50	32433791	31.80
	23.10.2015			30	32433821	31.80
	30.10.2015			110	32433931	31.80
	06.11.2015			10	32433941	31.80
	20.11.2015			10	32433951	31.80
	05.02.2016			75	32434026	31.80
ii.	<b>At the end of the year</b>				<b>32434026</b>	<b>31.80</b>
<b>2.</b>	<b>Supriya Shastry</b>					
i	At the beginning of the year	19527125	19.14	No Change	19527125	19.14
ii.	<b>At the end of the year</b>				<b>19527125</b>	<b>19.14</b>
<b>3.</b>	<b>Umesh Shastry</b>					
i	At the beginning of the year	6988150	6.85	No Change	6988150	6.85
ii	<b>At the end of the year</b>				<b>6988150</b>	<b>6.85</b>

**TWENTY FIFTH ANNUAL REPORT 2015-16**

SN	Particulars	Shareholding at the beginning of the year - 01.04.2015		Increase/ Decrease in No. of shares	Cumulative Shareholding during the year - 31.03.2016	
		No. of shares	% of total shares of the company		No. of shares	% of total shares of the company
<b>4.</b>	<b>Sathish Shastry</b>					
i.	At the beginning of the year	18024000	17.67	No Change	18024000	17.67
ii.	<b>At the end of the year</b>				<b>18024000</b>	<b>17.67</b>
<b>5.</b>	<b>Sachin Shastry</b>					
i.	At the beginning of the year	12585125	12.34	No Change	12585125	12.34
ii.	<b>At the end of the year</b>				<b>12585125</b>	<b>12.34</b>
<b>6.</b>	<b>Amrutha Umesh Shastry</b>					
i.	At the beginning of the year	250000	0.25	No Change	250000	0.25
ii.	<b>At the end of the year</b>				<b>250000</b>	<b>0.25</b>
<b>7.</b>	<b>Aneesh Umesh Shastry</b>					
i.	At the beginning of the year	977550	0.96	No Change	977550	0.96
ii.	At the end of the year				977550	0.96
<b>8.</b>	<b>Hema Sathish</b>					
i.	At the beginning of the year	6325875	6.20	No Change	6325875	6.20
ii.	<b>At the end of the year</b>				<b>6325875</b>	<b>6.20</b>
<b>9.</b>	<b>Kamala Kashinath</b>					
i.	At the beginning of the year	34975	0.03	0	34975	0.03
	<b>a. Increase – Transfer/Purchase</b>					
	18.01.2016			5000	39975	0.04
	15.01.2016			21500	61475	0.06
	22.01.2016			40000	101475	0.10
	29.01.2016			29668	131143	0.13
ii.	<b>At the end of the year</b>				<b>131143</b>	<b>0.13</b>
<b>10</b>	<b>Kashinath Shivaramasatry</b>					
i.	At the beginning of the year	37500	0.04	0	37500	0.04
	a. Decrease – Transfer/Sale					
	29.01.2016			-29668	7832	0.01
ii.	<b>At the end of the year</b>				<b>7832</b>	<b>0.01</b>
<b>11</b>	<b>Shailaja Suresh</b>					
i.	At the beginning of the year	250000	0.25	No Change	250000	0.25
ii.	<b>At the end of the year</b>				<b>250000</b>	<b>0.25</b>
<b>12</b>	<b>S Ananda Halambi</b>					
i.	At the beginning of the year	176225	0.17	No Change	176225	0.17
ii.	<b>At the end of the year</b>				<b>176225</b>	<b>0.17</b>

## Smiths & Founders (India) Limited

### D) Shareholding Pattern of top ten Shareholders:

(Other than Directors, Promoters and Holders of GDRs and ADRs):

SN	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year - 01.04.2015		Increase/ Decrease in No. of shares	Cumulative Shareholding during the year - 31.03.2016	
		No. of shares	% of total shares of the company		No. of shares	% of total shares of the company
<b>1</b>	<b>Shah Parag V</b>					
i	At the beginning of the year	141676	0.14	0	141676	0.14
	<b>Decrease: Transfer/Sale</b>					
	26.06.2015			- 410	141266	0.14
	30.06.2015			- 30	141236	0.14
	03.07.2015			-5000	136236	0.13
	14.08.2015			-2500	133736	0.13
	<b>Increase: Transfer/Purchase</b>					
	19.06.2015			1345	135081	0.14
	10.07.2015			50	135131	0.13
ii.	<b>At the end of the year</b>			<b>-6545</b>	<b>135131</b>	<b>0.13</b>
<b>2</b>	<b>Southern India Depository Services</b>					
i	At the beginning of the year	105800	0.10	No Change	105800	0.10
ii	<b>At the end of the year</b>				<b>105800</b>	<b>0.10</b>
<b>3</b>	<b>Sameer Amitbhai Chavda</b>					
i	At the beginning of the year	71529	0.07	No Change	71529	0.07
ii	<b>At the end of the year</b>				<b>71529</b>	<b>0.07</b>
<b>4</b>	<b>C. Satya Kumar</b>					
i	At the beginning of the year	65609	0.06	0	65609	0.06
	<b>Decrease: Transfer/Sale</b>					
	24.04.2015			-609	65000	0.06
	24.07.2015			-5000	60000	0.06
	<b>Increase: Transfer/Purchase</b>					
	11.12.2015			214	60214	0.06
	08.01.2016			2786	63000	0.06
	18.03.2016			297	63297	0.06
ii	<b>At the end of the year</b>			<b>-2312</b>	<b>63297</b>	<b>0.06</b>
<b>5</b>	<b>Pankaj B Nayak</b>					
i	At the beginning of the year	36100	0.04	No Change	36100	0.04
ii	<b>At the end of the year</b>				<b>36100</b>	<b>0.04</b>



**TWENTY FIFTH ANNUAL REPORT 2015-16**

SN	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year - 01.04.2015		Increase/Decrease in No. of shares	Cumulative Shareholding during the year - 31.03.2016	
		No. of shares	% of total shares of the company		No. of shares	% of total shares of the company
<b>6</b>	<b>T.G.Ranganath</b>					
i	At the beginning of the year	30000	0.03	0	30000	0.03
	<b>Decrease: Transfer/Sale</b> 10.07.2015			-30000	0	0.03
ii	<b>At the end of the year</b>				0	0.00
<b>7</b>	<b>Nitin S Thakur</b>					
i	At the beginning of the year	23873	0.02	0	23873	0.02
	<b>Decrease: Transfer/Sale</b> 16.10.2015			-5890	17983	0.02
	06.11.2015			-10000	7983	0.01
ii	<b>At the end of the year</b>				<b>7983</b>	<b>0.01</b>
<b>8</b>	<b>Amod Ratanchand Mehta</b>					
i	At the beginning of the year	22740	0.02	0	22740	0.02
	<b>Decrease: Transfer/Sale</b> 10.07.2015	-11	22729	0.02		
	17.07.2015	-3	22726	0.02		
	24.07.2015	-5	22721	0.02		
	<b>Increase: Transfer/Purchase</b> 24.04.2015			5	22726	0.02
	01.05.2015			15	22741	0.02
	08.05.2015			8	22749	0.02
	15.05.2015			14	22763	0.02
	22.05.2015			5	22768	0.02
	18.09.2015			3	22771	0.02
	25.09.2015			5	22776	0.02
	30.10.2015			18	22794	0.02
	20.11.2015			10	22804	0.02
	27.11.2015			35	22839	0.02
	04.12.2015			50	22889	0.02
	11.12.2015			15	22904	0.02
	18.12.2015			20	22924	0.02
	25.12.2015			20	22944	0.02
	31.12.2015			55	22999	0.02
	08.01.2016			60	23059	0.02
	22.01.2016			1	23060	0.02

## Smiths & Founders (India) Limited

SN	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year - 01.04.2015		Increase/ Decrease in No. of shares	Cumulative Shareholding during the year - 31.03.2016	
		No. of shares	% of total shares of the company		No. of shares	% of total shares of the company
	05.02.2016			10	23070	0.02
	12.02.2016			30	23100	0.02
	19.02.2016			45	23145	0.02
	26.02.2016			20	23165	0.02
	04.03.2016			10	23175	0.02
ii.	<b>At the end of the year</b>				23175	0.02
<b>9.</b>	<b>Apurva Salot</b>					
i.	At the beginning of the year	21519	0.02	No Change	21519	0.02
ii.	<b>At the end of the year</b>				<b>21519</b>	<b>0.02</b>
<b>10</b>	<b>Sunita Bhashkarbhai Patel</b>					
i.	At the beginning of the year	20239	0.02	0	20239	0.02
	<b>Decrease: Transfer/Sale</b>					
	10.07.2015			-7474	12765	0.01
	28.08.2015			-491	12274	0.01
	04.09.2015			-1487	10787	0.01
	19.02.2016			-1	10786	0.01
	26.02.2016			-6	10780	0.01
	<b>Increase: Transfer/Purchase</b>					
	17.07.2015			35	10815	0.01
	24.07.2015			2	10817	0.01
	31.07.2015			1151	11968	0.01
	07.08.2015			359	12327	0.01
	14.08.2015			21	12348	0.01
	21.08.2015			1	12349	0.01
	13.11.2015			10	12359	0.01
	18.12.2015			10	12369	0.01
	31.12.2015			1	12370	0.01
	15.01.2016			1	12371	0.01
	22.01.2016			61	12432	0.01
	12.02.2016			10	12442	0.01
ii.	<b>At the end of the year</b>				<b>12442</b>	<b>0.01</b>

## TWENTY FIFTH ANNUAL REPORT 2015-16

### E) Shareholding of Directors and Key Managerial Personnel:

SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year - 01.04.2015		Increase/ Decrease in No. of shares	Cumulative Shareholding during the year - 31.03.2016	
		No. of shares	% of total shares of the company		No. of shares	% of total shares of the company
<b>1</b>	<b>Suresh Shastry</b>					
i	At the beginning of the year	32502932	31.87	0	32502932	31.87
	<b>a. Decrease: Transfer/Sale</b>					
	26.06.2015			-2590	32500342	31.86
	03.07.2015			-658	32499684	31.86
	10.07.2015			-5	32499679	31.86
	31.12.2015			-180	32499499	31.86
	08.01.2016			-17325	32482174	31.84
	15.01.2016			-15040	32467134	31.83
	22.01.2016			-34300	32432834	31.79
	<b>b. Increase: Transfer/Purchase</b>					
	10.04.2015			10	32432844	31.79
	17.04.2015			50	32432894	31.79
	24.04.2015			60	32432954	31.80
	01.05.2015			60	32433014	31.80
	08.05.2015			10	32433024	31.80
	15.05.2015			20	32433044	31.80
	22.05.2015			10	32433054	31.80
	05.06.2015			10	32433064	31.80
	12.06.2015			71	32433135	31.80
	19.06.2015			10	32433145	31.80
	30.06.2015			10	32433155	31.80
	28.08.2015			30	32433185	31.80
	04.09.2015			40	32433225	31.80
	11.09.2015			76	32433301	31.80
	18.09.2015			40	32433341	31.80
	30.09.2015			10	32433351	31.80
	09.10.2015			390	32433741	31.80
	16.10.2015			50	32433791	31.80
	23.10.2015			30	32433821	31.80
	30.10.2015			110	32433931	31.80
	06.11.2015			10	32433941	31.80
	20.11.2015			10	32433951	31.80
	05.02.2016			75	32434026	31.80
ii.	<b>At the end of the year</b>				<b>32434026</b>	<b>31.80</b>

## Smiths & Founders (India) Limited

SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year - 01.04.2015		Increase/ Decrease in No. of shares	Cumulative Shareholding during the year - 31.03.2016	
		No. of shares	% of total shares of the company		No. of shares	% of total shares of the company
<b>2.</b>	<b>Supriya Shastry</b>					
i	At the beginning of the year	19527125	19.14	No Change	19527125	19.14
ii.	<b>At the end of the year</b>				<b>19527125</b>	<b>19.14</b>
<b>3.</b>	<b>Umesh Shastry</b>					
i	At the beginning of the year	6988150	6.85	No Change	6988150	6.85
ii	<b>At the end of the year</b>				<b>6988150</b>	<b>6.85</b>
<b>4.</b>	<b>Sathish Shastry</b>					
i	At the beginning of the year	18024000	17.67	No Change	18024000	17.67
ii	<b>At the end of the year</b>				<b>18024000</b>	<b>17.67</b>

**V) INDEBTEDNESS** - Indebtedness of the Company including interest outstanding/accrued but not due for payment.

(In Lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	471.41	326.30	0	797.71
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
<b>Total (i+ii+iii)</b>	<b>471.41</b>	<b>326.30</b>	<b>0</b>	<b>797.71</b>
<b>Change in Indebtedness during the financial year</b>				
* Addition	0	0	0	0
* Reduction	380.63	230.90	0	611.53
<b>Net Change</b>	<b>(380.63)</b>	<b>(230.90)</b>	<b>0</b>	<b>(611.53)</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	90.78	95.40	0	186.18
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
<b>Total (i+ii+iii)</b>	<b>90.78</b>	<b>95.40</b>	<b>0</b>	<b>186.18</b>

## TWENTY FIFTH ANNUAL REPORT 2015-16

### VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL -

#### A. Remuneration to Managing Director, Whole-time Directors and/or Manager: ( In Lakhs)

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
		CMD	WTD			
		Suresh Shastry	Satish Shastry	Umesh Shastry	Supriya Shastry	
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income - tax Act, 1961	19.20	19.20	19.20	19.20	76.80
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.85	0.35	0.47	0.22	1.89
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	0.00	0.00	0.00	0.00	0.00
2	Stock Option	0.00	0.00	0.00	0.00	0.00
3	Sweat Equity	0.00	0.00	0.00	0.00	0.00
4	Commission - as % of profit - others, specify	0.00	0.00	0.00	0.00	0.00
5	Others-contribution to funds	3.00	3.00	3.00	3.00	12.00
	<b>Total (A)</b>	<b>23.05</b>	<b>22.55</b>	<b>22.67</b>	<b>22.42</b>	<b>90.69</b>
	Ceiling as per the Act	Due to inadequate profit remuneration is paid as per the limit prescribed under Part II of Schedule V of the Companies Act, 2013.				

#### B. Remuneration to other directors

SN.	Particulars of Remuneration	Name of Directors		Total Amount
		V.Parthasarathy	Sudhindra N. Kalghatgi	
1	Independent Directors			
	Fee for attending board committee meetings	0.00	0.00	0.00
	Commission	0.00	0.00	0.00
	Others, please specify	0.00	0.00	0.00
	<b>Total (1)</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
2	Other Non-Executive Directors	-	-	-
	Fee for attending board committee meetings	-	-	-
	Commission	-	-	-
	Others, please specify	-	-	-
	<b>Total (2)</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Total (B)=(1+2)</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
	<b>Total Managerial Remuneration</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
	Overall Ceiling as per the Act			

## Smiths & Founders (India) Limited

### C. Remuneration to Key Managerial Personnel other than MD / Manager / WTD

(In Lakhs)

SN	Particulars of Remuneration	Key Managerial Personnel			Total
		CEO	CS	CFO	
1	Gross salary	-	7.42	-	7.42
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	0.00	-	0.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	0.00	-	0.00
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	0.00	-	0.00
2	Stock Option	-	0.00	-	0.00
3	Sweat Equity	-	0.00	-	0.00
4	Commission	-	0.00	-	0.00
	- as % of profit	-	0.00	-	0.00
	others, specify	-	0.00	-	0.00
5	Others - Contribution to funds	-	0.51	-	0.51
	Total	-	7.93	-	7.93

### VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>B. DIRECTORS</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

## NOMINATION AND REMUNERATION POLICY

### Introduction:

The Company's policy is to consider human resources as its invaluable assets, pay reasonable and sufficient remuneration to all Directors, Key Managerial Personnel (KMP) and employees of the Company, to harmonize the aspirations of human resources consistent with the goals of the Company and in terms of the provisions of the Companies Act, 2013 and the listing agreement, as amended from time to time. This policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated by the Committee and approved by the Board of Directors.

### Objective and purpose of the Policy:

#### The objective and purpose of this policy are:

- To lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Directors (Executive and Non-Executive) and persons who may be appointed in Senior Management and Key Managerial positions and to determine their remuneration.
- To determine remuneration based on the Company's size and financial position and trends and practices on remuneration prevailing in the industry in which the company is operating.
- To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.

In the context of the aforesaid criteria the following policy has been formulated by the Nomination and Remuneration Committee and adopted by the Board of Directors at its meeting held on 30th May, 2014.

### Effective Date:

This policy shall be effective from 1st April, 2014.

Constitution of the Nomination and Remuneration Committee:

The Nomination and Remuneration Committee comprises of following Directors:

1. Mr. V. Parthasarathy, Chairman (Independent Non – Executive Director)
2. Mr. Sudhindra N. Kalghatgi, Member (Independent Non – Executive Director)
3. Mr. Suresh Shastry, Member (Chairman & Managing Director)

The Board has the power to reconstitute the Committee consistent with the Company's policy and applicable statutory requirement.

### Definitions

- Board means Board of Directors of the Company.
- Directors mean Directors of the Company.
- Committee means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board.
- Company means Smiths & Founders (India) Limited.
- Independent Director means a director referred to in Section 149 (6) of the Companies Act, 2013.
- Key Managerial Personnel (KMP) means-
  - (i) Executive Chairman and/or Managing Director;
  - (ii) Whole-time Director;
  - (iii) Chief Executive Officer;
  - (iv) Chief Financial Officer;
  - (v) Company Secretary;
  - (vi) Such other officer as may be prescribed under the applicable statutory provisions / regulations.
- Senior Management means personnel of the Company occupying the position of Chief Executive Officer (CEO) of any unit / division or Vice President / General Manager including Vice President / General Manager of any unit / division of the Company. Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 as may be amended from time to time shall have the meaning respectively assigned to them therein.

### Applicability

The Policy is applicable to

- Directors (Executive and Non Executive)
- Key Managerial Personnel
- Senior Management Personnel

### General

- This Policy is divided in three parts:  
Part – A covers the matters to be dealt with and recommended by the Committee to the Board,

## Smiths & Founders (India) Limited

---

Part – B covers the appointment and nomination and

Part – C covers remuneration and perquisites etc.

- The key features of the Company's policy shall be included in the Board's Report.

### PART – A

#### MATTERS TO BE DEALT WITH, PERUSED AND RECOMMENDED TO THE BOARD BY THE NOMINATION AND REMUNERATION COMMITTEE

The Committee shall:

- Formulate the criteria for determining qualifications, positive attributes and independence of a director.
- Identify persons who are qualified to become Director and persons who may be appointed in Key Managerial and Senior Management positions in accordance with the criteria laid down in this policy.
- Recommend to the Board, appointment and removal of Director, KMP and Senior Management Personnel.

### PART – B

#### POLICY FOR APPOINTMENT AND REMOVAL OF DIRECTOR, KMP AND SENIOR MANAGEMENT

- Appointment criteria and qualifications:
  1. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.
  2. A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.
  3. The Company shall not appoint or continue the employment of any person as Wholetime Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.
- Term / Tenure:

#### 1. Managing Director/Whole-time Director:

The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive

Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

#### 2. Independent Director:

An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

- No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly. However, if a person who has already served as an Independent Director for 5 years or more in the Company as on 1st October, 2014 or such other date as may be determined by the Committee as per regulatory requirement, he / she shall be eligible for appointment for one more term of 5 years only.
- At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Wholetime Director of a listed company.

#### • Evaluation:

The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management Personnel at regular interval (yearly).

#### • Removal:

Due to reasons for any disqualification mentioned in the Companies Act, 2013, rules made thereunder or under any other applicable Act, rules and regulations, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

#### • Retirement:

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Companies Act, 2013 and the prevailing policy of the Company. The Board will have the discretion to retain



the Director, KMP, Senior Management Personnel in the same position / remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

### **PART – C**

#### **POLICY RELATING TO THE REMUNERATION FOR THE WHOLE-TIME DIRECTOR, KMP AND SENIOR MANAGEMENT PERSONNEL**

##### **• General:**

1. The remuneration / compensation / commission etc. to the Whole-time Director, KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the prior / post approval of the shareholders of the Company and Central Government, wherever required.
  2. The remuneration and commission to be paid to the Whole-time Director shall be in accordance with the Articles of Association of the Company and as per the provisions of the Companies Act, 2013, and the rules made thereunder.
  3. Increments to the existing remuneration / compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Whole-time Director. Increments will be effective from 1st April in respect of Whole-time Directors and other employees of the Company.
  4. Where any insurance is taken by the Company on behalf of its Whole-time Director, Chief Executive Officer, Chief Financial Officer, the Company Secretary and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.
- Remuneration to Whole-time / Executive / Managing Director, KMP and Senior Management Personnel:

##### **1. Fixed pay:**

The Whole-time Director / KMP and Senior Management Personnel shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee. The break up of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc.

shall be decided and approved by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.

##### **2. Minimum Remuneration:**

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Whole-time Director in accordance with the provisions of Schedule V of the Companies Act, 2013 and if it is not able to comply with such provisions, with the previous approval of the Central Government.

##### **3. Provisions for excess remuneration:**

If any Whole-time Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Companies Act, 2013 or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

- **Remuneration to Non- Executive / Independent Director:**

##### **1. Remuneration / Commission:**

The remuneration / commission to be paid shall be in accordance with the Articles of Association of the Company and the Companies Act, 2013 and the rules made thereunder.

##### **2. Sitting Fees:**

The Non-Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed Rs. One lakh per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

##### **3. Commission:**

Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the profits of the Company computed as per the applicable provisions of the Companies Act, 2013.

##### **4. Stock Options:**

An Independent Director shall not be entitled to any stock option of the Company.

**Form No. AOC-2**

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

**Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto**

1. Details of contracts or arrangements or transactions not at arm's length basis : **NIL**
  - (a) Name(s) of the related party and nature of relationship:
  - (b) Nature of contracts/arrangements/transactions:
  - (c) Duration of the contracts/arrangements/transactions:
  - (d) Salient terms of the contracts or arrangements or transactions including the value, if any:
  - (e) Justification for entering into such contracts or arrangements or transactions:
  - (f) Date(s) of approval by the Board:
  - (g) Amount paid as advances, if any:
  - (h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188:
  
2. Details of material contracts or arrangement or transactions at arm's length basis:
  - (a) Name(s) of the related party and nature of relationship:
    1. Suresh Shastry, Chairman & Managing Director
    2. Shailaja Suresh, Wife of Suresh Shastry
  - (b) Nature of contracts/arrangements/transactions:

Lease of Commercial property - 3rd Floor, Soundarya Sampige, 412/13, 8th Cross, Sampige Road, Malleswaram, Bangalore-560003.
  - (c) Duration of the contracts/arrangements/transactions:

3 years, w.e.f.-1.4.2015.
  - (d) Salient terms of the contracts or arrangements or transactions including the value, if any:

Monthly rent of Rs.200,000/- + Actual Electricity, water & share of common expenses (approx. Rs.5500/- per month) and car parking charges (currently Rs. 1580/- per month).
  - (e) Date(s) of approval by the Board, if any:

Approved at the board meeting held on 30.5.2015
  - (f) Amount paid as advances, if any : Rs. 10.00 Lakhs

**SURESH SHASTRY**  
*Chairman & Managing Director*

**FORM MR-3**

**Annexure - D**

**SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED ON 31st MARCH, 2016.

*[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]*

To,

The Members

Smiths & Founders (India) Limited

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Smiths & Founders (India) Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that, in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2016, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on, 31st March, 2016 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the Rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme)

Guidelines, 1999 ( Not applicable to the Company during audit period);

- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 ( Not applicable to the Company during the audit period); and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 ( Not applicable to the Company during the audit period);

I have also reviewed the systems and mechanisms established by the Company for ensuring compliances under other applicable Acts, Laws, Rules, Regulations, Guidelines applicable to the Company and categorized under the following major heads/groups:

- a. The Factories Act, 1948
- b. Industries (Development & Regulation) Act, 1951.
- c. Acts prescribed under prevention and control of pollution.
- d. Labour Laws and other incidental laws related to labour and employees appointed by the Company either on its payroll or on contractual basis as related to wages, gratuity, provident fund, ESIC, compensation, etc;
- e. The Karnataka Shops & Establishment Act, 1961.

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreement entered into by the Company with BSE Ltd.;
- (iii) Securities and Exchange Board of India (Listing Regulations and Disclosure Requirements) Regulations, 2015 ( with effect from December 1, 2015)

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

1. As per Regulation 38 of the SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015, there should be a minimum public shareholding of 25% of the Paid Up share capital of the Company. As on March 31, 2016 the promoters' shareholding is 95.77% of the total Paid Up share capital, whereas the Public hold 4.23% of the total Paid Up share capital of the Company. However, the Company has been given

## Smiths & Founders (India) Limited

---

3 years time to comply with this Regulation under 'Reliefs and Concessions' granted by the Hon. Board for Industrial and Financial Reconstruction under the Scheme of Rehabilitation approved by them on February 20, 2014.

### I further report that

The Board of Directors of the Company is not duly constituted under Regulation 17(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. However, the Company has been exempted from the applicability of this Regulation for a period of 5 Years by the Hon. Board for Industrial and Financial Reconstruction under the Scheme of Rehabilitation approved by them on February 20, 2014. The changes in the composition of the Board of Directors that took place during the period under review are carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda are sent at

least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting member's views are captured and recorded as part of the minutes.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period, the Company, with the approval of its members, has sold one of its undertakings in Chikkaballapura, Karnataka.

**Naveen K Shenoy**  
*Practicing Company Secretary*  
ACS No: 10817  
CP No: 16588

Place: Bangalore

Date: 11.08.2016

**Encl: Annexure A**

### ANNEXURE A ( To the Secretarial Audit Report )

To

**The Members**

**Smiths & Founders (India) Limited.**

My report of even date is to be read along with this letter.

- 1) Maintenance of secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
- 2) I have followed the audit practices and process as are appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the process and practices, I followed provide a reasonable basis for my opinion.
- 3) I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
- 4) Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events, etc.
- 5) The compliance of the Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedure on test basis.
- 6) The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place: Bangalore

Date: 11.08.2016

**Naveen K Shenoy**  
*Practicing Company Secretary*  
ACS No: 10817  
CP No: 16588

**Annexure - E**

## **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS AND OUTGO**

The information under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 for the year ended March 31, 2016 is given here below and forms part of the Director's Report.

### **A. CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION.**

There are no items to disclose under this head. However, the Company develops its own technology in house for new products, process development and cost reduction and it has systems to absorb the technology developed.

### **B. FOREIGN EXCHANGE EARNING AND OUTGO**

During the year under review Foreign Exchange earnings was ₹ 36.78 Lakhs (Previous Year ₹ 20.93 Lakhs) and Foreign Exchange outgo was Nil (Previous Year Nil).

**DETAILS OF REMUNERATION**

Details pertaining to remuneration as required under Section 197(12) read with Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

The percentage increase in remuneration of each Director and Company Secretary during the Financial Year 2015-16, ratio of remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year 2015-16 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

Sl. No.	Name of Director/ KMP	Designation	Remuneration of Director/KMP for the Financial Year 2015-16 (Rs. in Lakhs)	% increase in Remuneration in the Financial Year 2015-16	Ratio of Remuneration of each Director to median remuneration of employees for the Financial Year	Comparison of the Remuneration of the KMP against the performance of the Company
1	Suresh Shastry	Chairman & Managing Director	23.05	There was no increase in remuneration during the Financial Year	240.50	Remuneration received during the Financial year – Rs.23.05 Lakhs as against Net Loss of Rs. 151.93 Lakhs.
2	Satish Shastry	Executive Director	22.55	There was no increase in remuneration during the Financial Year	235.29	Remuneration received during the Financial year – Rs.22.55 Lakhs as against Net Loss of Rs. 151.93 Lakhs.
3	Umesh Shastry	Executive Director	22.67	There was no increase in remuneration during the Financial Year	236.54	Remuneration received during the Financial year – Rs.22.67 Lakhs as against Net Loss of Rs. 151.93 Lakhs.
4	Supriya Shastry	Executive Director	22.42	There was no increase in remuneration during the Financial Year	233.93	Remuneration received during the Financial year – Rs.22.42 Lakhs as against Net Loss of Rs. 151.93 Lakhs.
5	V. Parthasarathy	Independent Director	0.00	0.00	0.00	-
6	Sudhindra N.Kalghatgi	Independent Director	0.00	0.00	0.00	-
7	Naveen K Shenoy	Company Secretary	7.93	There was no increase in remuneration during the Financial Year	-	Remuneration received during the Financial year – Rs. 7.93 Lakhs as against Net Loss of Rs. 151.93 Lakhs.

**(i) The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year:**

The median remuneration of employees of the Company during the Financial Year was Rs.9,584/- and the ratio of remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year is provided in the above table.

**(ii) The percentage increase in remuneration of each director and Company Secretary in the Financial Year :**

There was no increase in remuneration of the Directors and Company Secretary in the Financial Year 2015-16.

**(iii) The percentage increase in the median remuneration of employees in the Financial Year:**

In the Financial Year, there was an increase of 11.51 % in the median remuneration of employees. The increase

## Smiths & Founders (India) Limited

---

was due to upward revision in Variable Dearness Allowance and resignation of few employees.

**(iv) The number of permanent employees on the rolls of the Company:**

There were 77 permanent employees on the rolls of the Company as on March 31, 2016.

**(v) The explanation on the relationship between average increase in remuneration and Company performance:**

The increase in the median remuneration of employees was 11.51%. As regards Company's performance, its net loss for the Financial Year 2015-16 was Rs. 151.93 Lakhs as against net loss of Rs. 180.54 Lakhs in the Financial Year 2014-15.

Remuneration to Employees is as per the HR Policy of the Company in force from time to time and in compliance with applicable regulatory requirements.

**(vi) Comparison of the remuneration of the Key Managerial Personnel against performance of the Company:**

The Total remuneration of Key Managerial Personnel has gone up marginally from Rs. 98.08 Lakhs to Rs. 98.62 Lakhs, whereas, the Company's net loss has come down from Rs. 180.54 Lakhs in the Financial Year 2014-15 to Rs. 151.93 Lakhs in the Financial Year 2015-16.

**(vii) Variations in the market capitalization of the Company, price earnings ratio as at the closing date of current financial year and previous financial year and the percentage increase or decrease in market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer in case of listed Companies:**

The market capitalization as on 31st March, 2016 was Rs. 41.41 Crores ( Rs. 71.40 Crores as on 31st March, 2015). The closing price of the share as on 31st March, 2016 was Rs. 4.06 and as on 31st March, 2015 was Rs. 7.00, the Earnings Per Share was Rs. (0.15) for the Financial Year ended 31st March, 2016 and Rs. (0.18) for the year ended 31st March, 2015. The Initial Public offer was made by the Company in the year 1993

and the issue was for 31,00,000 equity shares of Rs. 10/- each at par. In the year 2006, the Company split the shares by reducing the face value to Re. 1/-. In the year 2014 the Company reduced the Share Capital by 90% and allotted 97676525 new equity shares to the shareholders of the amalgamating Company, as per the Scheme of Rehabilitation sanctioned by the Hon. BIFR in February, 2014. As against issue of equity shares of Rs.10/- at par in 1993 and post share capital reduction by 90% and issue of new equity shares, the closing share price of the Company at BSE Limited as on 31st March, 2016 was Rs.4.06 per equity share of face value of Re. 1/- each.

**(viii) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in managerial remuneration:**

During the financial year 2015-16, the Company did not increase the salaries of the managerial personnel as well as of employees other than managerial personnel.

**(ix) Comparison of the each remuneration of the Key Managerial Personnel against the performance of the Company:**

Details are provided in the above table.

**(x) The key parameters for any variable component of remuneration availed by the Directors**

During the Financial Year 2015-16 the remuneration paid to Directors does not include any variable component.

**(xi) The ratio of the remuneration of the highest paid director to that of the employees who are not directors but remuneration in excess of the highest paid director during the year:**

Not applicable.

**(xii) Affirmation that the remuneration is as per the remuneration policy of the Company.**

It is hereby affirmed that the remuneration paid is as per the Policy for Remuneration of the Directors, Key Managerial Personnel and other Employees.

## MANAGEMENT DISCUSSION AND ANALYSIS

The Indian economy has started to see gradual uptick resulting in moderate growth in some industry segments although manufacturing activities are yet to experience any appreciable development. The pace of recovery has been slower than expected, but certainly there seems to be lot optimism and positive sentiment across segments. Consequently, the Indian economy has achieved a modest growth of around 7.6%.

Gradual rise in domestic demand as well as inflation being under control in addition to increased manufacturing activities, have complemented well in rise in demand for products and services. All this has resulted in better performance of automotive and tractor industry compared to previous year which has contributed to better performance of the Company in Financial Year 2015-16.

### Industry Structure and Developments:

The turnaround for the Indian auto industry which began in the Financial Year 2014-15 continued in the Financial Year 2015-16 also. Though the Company could not add any major customers, the existing customer's increased orders have resulted in a 20% increase in its revenues compared to the previous year.

### Opportunities and Threats:

While your Company recognises the importance of economic growth and its influence on your Company's overall performance, it would continue its quest of achieving higher growth rate on account of the growth of the auto industry and the business opportunities which exist in this industry.

Growing concerns over safety and sustainability among consumers and society at large will have an impact on the regulations for motor vehicles, regulations for managing urban congestion and policies for development of public transport infrastructure. These will have a significant impact on the future of automotive industry.

The other major perceivable threats are liquidity, exchange rates, raw material, energy costs and economic scenario.

### Results of Operations :

#### Income

( ₹ in Lakhs)

Particulars	Financial Year 2015-16		Financial Year 2014-15		+/-
	Amount	%	Amount	%	
Revenue from Operations	781.69	-	653.85	-	19.55
Other Income	86.38	-	9.28	-	930.82
<b>Total</b>	<b>868.08</b>	<b>-</b>	<b>663.13</b>	<b>-</b>	<b>30.91</b>

### Segment-wise or product wise performance:

The Company is primarily engaged in the business of automotive components and hence there are no separate reportable segments.

### Outlook:

According to IMF report, India will be the fastest growing major economy in 2016-17 growing at 7.5%. India's growth will continue to be driven by the private consumption which has benefitted from lower energy prices and higher real incomes. Further, with the revival of sentiments and picking up in industrial activities, a recovery of private investment is expected to strengthen the growth further.

### Risks and Concerns:

Risks are uncertainties and possible outcomes from the environment which can impact a Company's performance and future prospects. Your Company adopts a comprehensive and robust risk appraisal, mitigation and management process in the areas of operations, financial, technology and other business risk. The Management of your Company is involved in mapping the risks arising out of both internal and external environment and effective plans to mitigate the same. The Management of your Company takes overall responsibility of total risk management process in the organisation.

### Internal Control Systems and their adequacy:

The Company has an adequate system of internal control commensurate with the size and nature of its business, which ensures that transactions are recorded, authorised and reported correctly apart from safeguarding its assets against loss from wastage, unauthorised use and removal.

### Discussion on Financial performance with respect to operational performance:

The financial statements have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP) and comply with the Accounting Standard specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014.

## Smiths & Founders (India) Limited

### Net Sales & Other Income:

Net Sales has registered a increase by 19.55%. Other Income was higher due to profit on sale of assets.

### Expenses

( ₹ in Lakhs)

Particulars	Financial Year 2015-16		Financial Year 2014-15		+/-
	Amount	%	Amount	%	
Material Costs	<b>384.45</b>	<b>49.18</b>	301.12	46.05	3.13
Employee Benefits Expense	<b>264.07</b>	<b>33.78</b>	245.70	37.58	-3.80
Finance Costs	<b>96.43</b>	<b>12.34</b>	88.11	13.48	-1.14
Depreciation & Amortisation Expense	<b>34.70</b>	<b>4.43</b>	39.41	6.03	-1.60
Direct Expenses	<b>127.78</b>	<b>16.35</b>	88.34	13.51	2.84
Administration Expenses	<b>91.41</b>	<b>11.69</b>	74.29	11.36	0.33
Selling & Distribution Expenses	<b>7.17</b>	<b>0.91</b>	6.70	1.02	-0.11
<b>Total Expenses</b>	<b>1006.01</b>	<b>128.70</b>	<b>843.67</b>	<b>129.05</b>	<b>-0.35</b>

### Expenses:

#### Material Costs

Material costs have increased due to increase in cost of raw materials.

#### Direct Expenses

Direct expenses have gone up due to increase in labour costs.

#### Material developments in Human Resources/Industrial Relations front, including number of people employed:

The Company considers its people as the most critical and valued resource. The relations between the employees and the Company remained cordial throughout the year. The Company continues to focus on safety, training and development of the employees. The total number of employees on the rolls of the Company as on March 31, 2016 was 77.

### Cautionary Statement:

Certain statements in this Management Discussion and Analysis relating to Company's objectives, projections, outlook, estimates, expectations or predictions may be "forward looking statements" within the meaning of applicable securities laws and regulations. Although the Company believes that the expectations reflected in such forward looking statements are reasonable, no assurance can be given that such expectations will prove to have been correct. Accordingly actual results or performance could differ materially from those expressed or implied as a result of among other factors, changes in economic conditions affecting demand and supply, success of business and operating initiatives and restructuring objectives, change in regulatory environment, other government actions including taxation, natural phenomena such as floods and earthquakes, customer strategies, etc. over which the Company does not have any direct control.



## **ANNEXURE TO THE DIRECTORS' REPORT REPORT ON CORPORATE GOVERNANCE**

The Directors present the Company's Report on Corporate Governance for the year ended March 31, 2016, in terms of Regulation 34(3) read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulation").

### **1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:**

Your Company believes in good corporate governance and continuously endeavours to improve focus on it by increasing transparency and accountability to its shareholders in particular and other stakeholders in general. The Company undertakes to behave responsibly towards its shareholders, business partners, employees, society and the environment. The Company is committed to business integrity, high ethical values and professionalism in all its activities.

### **2. BOARD OF DIRECTORS:**

#### **a) Composition and Size of the Board.**

The Board of Directors comprises of Six Directors. Composition of the Board is as follows:

Directors	Category	Directorships in other Indian Public Limited Companies*	No. of Board Committees in which Chairman/ Member
<b>Promoter &amp; Executive</b>			
Mr. Suresh Shastry	Chairman & Managing Director	Nil	Nil
Mr. Satish Shastry	Executive Director	Nil	Nil
Mr. Umesh Shastry	Executive Director	Nil	Nil
Mrs. Supriya Shastry	Executive Director	Nil	Nil
<b>Non Executive</b>			
Mr. Sudhindra Narayan Kalghatgi	Independent Director	Nil	Nil
Mr. V. Parthasarathy	Independent Director	Nil	Nil

**\* Excludes private limited companies, foreign companies and companies registered under Section 8 of the Companies Act, 2013.**

Mr. Suresh Shastry, Mr. Satish Shastry, Mr. Umesh Shastry and Mrs. Supriya Shastry are related to each other.

Though the Company is required to have at least 4 Independent Directors as per Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is exempted from complying with this Regulation for a period of 5 years as per the Scheme of Rehabilitation approved by the Hon'ble Board for Industrial & Financial Reconstruction on February 20, 2014.

## Smiths & Founders (India) Limited

### b) Attendance of Directors at the Board Meetings and at the last Annual General Meeting.

Name of the Director	Number of Board Meetings held during the year 2015-16		Attendance at the Last AGM held on September 26, 2015
	Held	Attended	
Mr. Suresh Shastry	6	6	Yes
Mr. Satish Shastry	6	3	Yes
Mr. Umesh Shastry	6	3	Yes
Mrs. Supriya Shastry	6	5	Yes
Mr. Sudhindra Narayan Kalghatgi	6	5	Yes
Mr. V. Parthasarathy	6	3	No

### c) Number of Board Meetings:

Six Board Meetings were held during the year 2015-16 and the gap between two consecutive meetings did not exceed one hundred twenty days. The dates on which the Board meetings were held were May 30, 2015, July 31, 2015, August 12, 2015, November 7, 2015, November 19, 2015 and February 13, 2016.

## 3. AUDIT COMMITTEE:

The Audit Committee of the Company is constituted in line with the provisions of Regulation 18 of the Listing Regulation read with Section 177 of the Companies Act, 2013.

The terms of reference of the Audit Committee cover all areas prescribed by Regulation 18 of the Listing Regulation and include the following:

The Audit Committee comprises of a) Mr. V.Parthasarathy, Chairman and Non Executive Independent Director b) Mr. Suresh Shastry, Chairman & Managing Director and c) Mr. Sudhindra N. Kalghatgi, Non Executive Independent Director. All members of the Audit Committee are financially literate and bring in expertise in the fields of finance, accounts and business management. The Chairman of the Committee Mr. V. Parthasarathy is retired banker having more than 30 years experience in the banking industry. The Company Secretary is the Secretary to the Committee.

The Audit Committee has been granted powers as prescribed under Regulation 18 of the Listing Regulation.

The Audit Committee met four times during the year 2015-2016 and the gap between two consecutive meetings did not exceed one hundred twenty days. The dates on which the Audit Committee Meeting were held are as follows: May 30, 2015, August 12, 2015, November 7, 2015 and February 13, 2016. The attendance at the Meetings was as under:

Name	No. of Meetings held during the year 2015-16	No. of Meetings Attended
Mr. V. Parthasarathy	4	2
Mr. Suresh Shastry	4	4
Mr. Sudhindra N. Kalghatgi	4	3

### The terms of reference of the Audit Committee include the following:

1. Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and, if required replacement or removal of statutory auditors and fixation of audit fees. Approval of payment to statutory auditors for any other services.
3. Reviewing with management, the quarterly and annual financial statements before submission to the Board for approval.

## TWENTY FIFTH ANNUAL REPORT 2015-16

4. To hold periodic discussions with the Statutory Auditors and Internal Auditors of the Company concerning the accounts of the Company, internal control systems, scope of audit and observations of the Auditors/Internal Auditors.
5. Reviewing with management performance of statutory and internal auditors and adequacy of internal control systems.
6. Discussion with statutory auditors before the audit commences, nature and scope of audit as well as to have post audit discussion to ascertain any area of concern.
7. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

#### 4. NOMINATION AND REMUNERATION COMMITTEE:

The Company has constituted a Nomination and Remuneration Committee consisting of Two Non-executive Independent Directors and One Executive Director as against the requirement of at least three Non-executive directors. Mr. V. Parthasarathy, Independent Non-Executive Director is the Chairman of the Committee. Though the Company has been exempted from compliance under Regulation 19 of Listing Regulation for a period of 5 years by the Scheme of Rehabilitation sanctioned by the Hon. BIFR, the Company would comply with the requirement in coming years.

The Committee has formulated a Nomination and Remuneration Policy in compliance with Section 178 of the Companies Act, 2013. The policy, inter alia, states its objective and purpose, applicability, remuneration for the Whole-time Directors, Key Managerial and Senior Management Personnel. The Policy is furnished in **Annexure-B** to the Directors' Report.

#### 5. STAKEHOLDERS RELATIONSHIP COMMITTEE:

The Company's Stakeholders Relationship Committee functions under the Chairmanship of Mr. Sudhindra N. Kalghatgi, Independent Director. Mr. Suresh Shastry and Mr V. Parthasarthy are also the members of the Committee. The Company Secretary is the Compliance Officer of the Company for the purpose of Listing Regulation.

This Committee monitors and redresses investors complaints, transfer/ transmission of shares, etc.

The Committee Meetings were held on May 30, 2015, August 12, 2015, November 7, 2015 and February 13, 2016. The attendance at the meetings was as under:

Name	No. of Meetings held during the year 2015-16	No. of Meetings Attended
Mr. V. Parthasarathy	4	2
Mr. Suresh Shastry	4	4
Mr. Sudhindra N. Kalghatgi	4	3

During the year, 1 complaint was received from the shareholders, which has been attended to/resolved to date. As on date, there are no pending share transfers pertaining to the year under review.

#### 6. REMUNERATION OF DIRECTORS:

In line with the principles of transparency and consistency, the Company has adopted a Policy of Remuneration of Directors, Key Managerial Personnel and other employees, which has been approved by the Board of the Company at its meeting held on May 30, 2014, based on the recommendations of the Nomination and Remuneration Committee.

Remuneration paid to Managing Director and Executive Directors (Whole-time Directors) for the year ended March 31, 2016, is given below:

( ₹ in Lakhs )

Directors	Salary	Company's Contributions to funds*	Perquisites and Allowances	Total	Contract Period
Suresh Shastry, (Managing Director)	19.20	3.00	0.85	23.05	1.4.2014 to 31.3.2017
Satish Shastry, (Executive Director)	19.20	3.00	0.35	22.55	1.4.2014 to 31.3.2017
Umesh Shastry, (Executive Director)	19.20	3.00	0.47	22.67	1.4.2014 to 31.3.2017
Supriya Shastry, (Executive Director)	19.20	3.00	0.22	22.42	1.4.2014 to 31.3.2017

\* Aggregate of Company's contributions to Superannuation Fund and Provident Fund.

No remuneration has been paid to Non-Executive Directors during the year under review.

## Smiths & Founders (India) Limited

---

### 7. CEO CERTIFICATION:

The Chairman has certified to the Board that all the requirements of the Listing Regulation have been complied with.

### 8. ANNUAL GENERAL MEETINGS:

Details of Annual General Meeting held during the preceding 3 years and Special Resolutions passed thereat are given below:

Year	AGM	Location	Date & Time	Special Resolution passed
2012-13	AGM	MEWS Ladies Club, No.37, 17th Cross, Malleswaram, Bangalore - 560 055	28.09.2013 10.00 a.m.	No special resolution was passed.
2013-14	AGM	MEWS Ladies Club, No.37, 17th Cross, Malleswaram, Bangalore - 560 055	27.12.2014 10.00 a.m.	a) Appointment of 3 Whole Time Directors and approval of their remuneration b) Appointment of Managing Director and approval of his remuneration c) Alteration of Memorandum and Articles of Association for increase in Authorised Capital
2014-15	AGM	MEWS Ladies Club, No.37, 17th Cross, Malleswaram, Bangalore - 560 055	26.09.2015 10.30 a.m.	Approval for transfer, sale and/or dispose of the undertaking at Chikkaballapura, Karnataka

No special resolutions were passed through Postal Ballot during the year 2015-16.

### 9. a. Disclosures on materially significant related party transactions that may have potential conflict with the interest of the Company at large:

The Company has formulated a policy on Materiality and dealing with Related Party transactions which specify the manner of entering into related party transactions. This Policy has been posted on the website of the Company, [www.smithsandfoundersindia.com](http://www.smithsandfoundersindia.com).

During the year 2015-16, there were no materially significant transactions or arrangements entered into between the Company and its Promoters, Directors or the Management or Relatives, etc., that may have potential conflict with the interests of the Company. Further, details of transactions with related parties are disclosed in Note 29.1 of Notes on accounts to Annual Accounts in the Annual Report.

### b. Details of non-compliance by the Company, penalties, strictures, imposed on the Company by Stock Exchange or SEBI or any Statutory Authority, on any matter related to capital matters, during the last three years.

The Company has complied with all requirements of the regulatory authorities. No penalties or strictures were imposed on it by the Stock Exchange or SEBI or any Statutory Authority for non compliance of any matter related to capital markets during the last three years.

### c. Whistle Blower Policy

Pursuant to Section 177(9) and(10) of the Companies Act, 2013 and Regulation 22 of the Listing Regulation, the Company has formulated Whistle Blower Policy for vigil mechanism of Directors and employees to report to the management about the unethical behaviour, fraud or violation of Company's Code of Conduct. The mechanism provides for adequate safeguards against victimization of employees and Directors who use such mechanism and makes provision for direct access to the Chairperson of the Audit Committee in exceptional cases. None of the personnel of the Company has been denied access to the Audit Committee. The Whistle Blower Policy is available on the website of the Company, [www.smithsandfoundersindia.com](http://www.smithsandfoundersindia.com). During the year, under Whistle Blower Policy, no complaints were reported to Audit Committee.

### d. Non-mandatory requirements

Adoption of non-mandatory requirements of the Listing Regulation is being reviewed by the Board from time to time.

**10. MEANS OF COMMUNICATION:**

**A. Quarterly Results :**

The approved financial results are forthwith sent to the Stock Exchange where the shares are listed and are published in the newspapers as required by the Listing Agreement. The Quarterly, Half-yearly and Yearly Results are published in Financial Express and E-Sanje, which are national and local dailies respectively.

**B. Website:**

The Company maintains a functional website [www.smithsandfoundersindia.com](http://www.smithsandfoundersindia.com), which is updated on regular basis. Quarterly, Half-yearly and Yearly results, Annual Reports, Code of Conduct and Ethics and Shareholding Pattern are available on the website in a user friendly and downloadable form.

**C. Annual Report :**

The Annual Report containing inter alia the Audited Annual Accounts, Directors' Report, Auditors' Report, Report on Corporate Governance and other important information is circulated to Members and others entitled thereto. The Management Discussion and Analysis forms part of the Annual Report.

**11. GENERAL SHAREHOLDER INFORMATION:**

**11.1. AGM :**

Date and Time : September 24, 2016 at 10.00 A.M  
 Venue : MEWS Ladies Club, No.37, 17th Cross, (between 4th & 6th Main),  
 Malleswaram, Bangalore - 560 055.

Last date for receipt  
 of Proxy forms : September 22, 2016 before 10.00 a.m.

**11.2. Financial Year of the Company:**

Financial year covers the period from April 1, every year and ends on March 31, in the succeeding year.

Tentative date for Board Meeting for consideration of quarterly financial results for 2016-17 are as follows:

Quarter ending June 30, 2016 - On or before August 14, 2016  
 Quarter ending September 30, 2016 - On or before November 14, 2016  
 Quarter ending December 31, 2016 - On or before February 14, 2017  
 Quarter ending March 31, 2017 - End May, 2017

**11.3. Book Closure Date :** 17.09.2016 to 24.09.2016 (Both days inclusive)

**11.4. Dividend Payment Date :** Not Applicable

**11.5 Listing on Stock Exchanges :**

Equity Shares : BSE Ltd., Mumbai  
 Annual listing fee payable to BSE Ltd. for Financial Year 2016-17 has been paid.

**11.6 Stock Codes :**

(a) BSE Ltd. - 513418  
 (b) ISIN Code - INE728B01032

**11.7. Stock Market Data :**

MONTH	SHARE PRICE MOVEMENTS - 2015-16	
	SHARE PRICE at BSE LTD. (₹)	
	HIGH	LOW
April 2015	9.50	5.60
May 2015	7.02	5.72
June 2015	7.55	5.67
July 2015	10.98	6.53
August 2015	12.02	7.70
September 2015	8.05	5.83
October 2015	8.10	5.80
November 2015	8.60	5.80
December 2015	6.29	5.15
January 2016	6.21	4.75
February 2016	6.90	3.08
March 2016	5.59	3.26

## Smiths & Founders (India) Limited

### 11.8. Share Price Performance in Comparison to Broad Based indices-BSE sensex

Month/Year	BSE Sensex Index		Share Price at BSE LTD. (₹)	
	HIGH	LOW	HIGH	LOW
April 2015	29094.61	26897.54	9.50	5.60
May 2015	28071.16	26423.99	7.02	5.72
June 2015	27968.75	26307.07	7.55	5.67
July 2015	28578.33	27416.39	10.98	6.53
August 2015	28417.59	25298.42	12.02	7.70
September 2015	26471.82	24833.54	8.05	5.83
October 2015	27618.14	26168.71	8.10	5.80
November 2015	26824.30	25451.42	8.60	5.80
December 2015	26256.42	24867.73	6.29	5.15
January 2016	26197.27	23839.76	6.21	4.75
February 2016	25002.32	22494.61	6.90	3.08
March 2016	25479.62	23133.18	5.59	3.26

### 11.9 Registrar and Transfer Agents :

#### **INTEGRATED ENTERPRISES (INDIA) LIMITED**

30, Ramana Residency, 4th Cross,  
Sampige Road, Malleswaram,  
Bangalore 560 003

Tel : 080 2346 0815 to 818

Fax : 080 2346 0819

E-mail: vijayagopal@integratedindia.in  
irg@integratedindia.in

Website : www.iepindia.com

### 11.10. Share Transfer System: The Registrar and Transfer Agents, M/s. Integrated Enterprises (India) Limited, Bangalore are authorised by the Board for processing of share transfers, which are approved by the Company's Stakeholders Relationship Committee.

Share Transfer requests are processed and despatched to the shareholders generally within 10 days from the date of receipt. In case of shares in electronic form, the transfers are processed by NSDL/CDSL through respective Depository Participants.

In compliance with the Listing Regulation 40, a Practicing Company Secretary carries out audit of the system of Transfer and a Certificate to that effect is issued.

Also, pursuant to Regulation 55A of SEBI (Depositories and Participants) Regulations, 1996, certification is done by a Company Secretary in Practice regarding timely dematerialisation of the shares of the Company. Further, secretarial audit is done on a quarterly basis for reconciliation of the share capital of the Company

### 11.11. Distribution of Shareholding as on 31.03.2016.

No. of shares held	No. of shareholders	No. of shares held	% Shareholding
Up to 500	11307	1631127	1.60
501-1000	585	495839	0.49
1001-2000	256	391040	0.38
2001-3000	91	229128	0.22
3001-4000	42	149258	0.15
4001-5000	32	149837	0.15
5001-10000	41	280146	0.27
10001 & above	58	98670150	96.74
<b>TOTAL</b>	<b>12412</b>	<b>101996525</b>	<b>100.00</b>

### 11.12. Dematerialization of Shares:

99.00% of the Shares of the Company are in dematerialised form as on 31st March, 2016.

**11.13. Outstanding GDR / Warrants and Convertible Bonds, Conversion Date and likely impact on Equity:** N.A.

- 11.14. Plant Locations :**
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

### 11.15. Investor Correspondence:

- a. For Shares in physical form: To the Registrar & Transfer Agents
- b. For Shares in Dematerialization Form: To the Depository Participant

### **Declaration by the Managing Director Under Regulation 26(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.**

I, Suresh Shastry, Chairman & Managing Director of Smiths & Founders (India) Limited, declare that all the Members of the Board of Directors and Senior Management Personnel have affirmed their compliance with the Company's code of conduct for the year ended March 31, 2016.

Place: Bangalore

Date : 11.08.2016

**SURESH SHASTRY**

*Chairman & Managing Director*

---

## **AUDITORS' REPORT ON CORPORATE GOVERNANCE**

To the members of **Smiths & Founders (India) Limited**

1. We have examined the compliance of conditions of Corporate Governance by Smiths & Founders (India) Limited for the year ended 31st March, 2016, as stipulated in
  - Clause 49 of the Listing Agreements of the Company with Stock Exchange for the period April 01, 2015 to November 30, 2015;
  - Regulations 17 to 27 of the SEBI [Listing Obligations and Disclosure Requirements] Regulations 2015 for the period December 01, 2015 to March 31st, 2016.
2. The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of Corporate Governance as stipulated in the said Clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. We have examined the relevant records of the Company in accordance with the Generally Accepted Auditing Standards in India, to the extent relevant, and as per the Guidance Note of Certification of Corporate Governance

issued by the Institute of Chartered Accountants of India.

4. In our opinion and to the best of our information and according to our examination of the relevant records and the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement and regulation 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C , D and E of Schedule V of the Listing Regulations for the respective periods of applicability as specified under paragraph 1 above, during the year ended March 31, 2016.
5. We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For B.N.Subramangya & Co.  
Chartered Accountants  
FRN No: 004142S

**DEVENDRA NAYAK**

*Partner*

M.No:27449

Place: Bangalore

Date: 11.08.2016

---

## **INDEPENDENT AUDITORS' REPORT**

**TO**

**THE MEMBERS OF M/S. SMITHS AND FOUNDERS  
(INDIA) LIMITED**

### **Report on the Financial Statements**

We have audited the accompanying financial statements of **M/s. SMITHS & FOUNDERS (INDIA) LIMITED** ("the Company") which comprise the Balance Sheet as at 31st March 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information

### **Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes 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 frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2016;
- (b) In the case of the Statement of Profit and Loss, of the Loss for the year ended on that date; and
- (c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by section 143(3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b. In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;



- c. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Companies Act, 2013, read with the Rule 7 of the Companies (Accounts) Rules, 2014;
- e. On the basis of written representations received from the directors as on March 31, 2016, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, from being appointed as a director in terms of section 164 (2) of the Act;
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B";
- g. With respect to the other matters to be included in

the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- (i) The Company does not have any pending litigation which would impact its financial position;
- (ii) The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
- (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company

For **B N Subramanya & Co.**  
Chartered Accountants  
Firm Reg.No.004142S

**DEVENDRA NAYAK**  
Partner

Place: Bengaluru  
Date: 30th May, 2016

Membership No. 27449

## Annexure A to the Independent Auditors' Report

**(i) Fixed Assets**

- a) The Company has maintained proper records of fixed assets showing full particulars, including quantitative details and situation of the assets.
- b) The Management has conducted physical verification of fixed assets at reasonable intervals and no material discrepancies were noticed on such verification.
- c) According to the information and explanation given to us, and based on our verification, the title deeds of immovable properties are held in the name of the Company.

**(ii) Inventory**

The Management has conducted physical verification of inventories at reasonable intervals and no material discrepancies were noticed on such verification.

**(iii) Loans and Advances**

The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of Companies Act, 2013. Accordingly, the provisions of clause (iii) (a), (b) & (c) of the above said order are not applicable to the company.

**(iv) Loans / Investments / Guarantees**

In our opinion and according to the information and

explanations given to us, provisions of section 185 and 186 of the Companies Act, 2013 have been complied with in respect of loans, investments, guarantees, and security given by the company.

**(v) Deposits**

According to the information and explanation given to us, and based on our verification, the Company has not accepted any deposits from public or shareholders during the year and consequently the provisions of Section 73 to 76 or any other relevant provision of the Companies Act, 2013, and the rules framed there under are not applicable.

**(vi) Cost records**

The company is not required to maintain cost records as per sub section (1) of section 148 of the Act. Accordingly, the provisions of clause (vi) of the above said order is not applicable to the company.

**(vii) Statutory Dues**

- a) According to the records of the Company, the Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, Employee State Insurance, Income tax, sales tax, service tax, duty of customs, value added tax, duty of excise, cess and other statutory dues applicable to it.

## Smiths & Founders (India) Limited

---

- b) According to the records of the Company, there are no dues of Income tax or Sales tax or service tax or duty of customs or duty of excise or value added tax which have not been deposited on account of any dispute.

### (viii) Repayment of Loans

The company has not defaulted in repayment of any term loan and borrowings from the banks and the company has not availed any loan from Government, Financial Institution and Debenture holder during the year.

### (ix) Diversion of funds

According to the records of the Company, there were no further public offer during the year and moneys raised by way of term loans were applied for the purposes for which those are raised.

### (x) Frauds noticed / Detected

According to the information and explanation given to us, no fraud by the company or on the company by its officers or employees has been noticed or reported.

### (xi) Managerial Remuneration

According to the records of the Company, managerial remuneration has been paid in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.

### (xii) Nidhi Company

The company is not a Nidhi Company as mentioned in section 406 of the Companies Act, 2013 and hence no comment is required on the same.

### (xiii) Related Party Transactions

According to the information and explanations given to us and on the basis of our examination of the records of the Company, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards.

### (xiv) Preferential allotment

The company has not made any preferential allotment/private placement of the shares or fully or partly convertible debentures during the year under review and hence no comment is required on this clause.

### (xv) Non-cash Transactions

The company has not entered into any non-cash transaction with directors or persons connected with him and accordingly provisions of the said clause are not applicable.

### (xvi) Certification for Non Banking Financial Institution

The company is not a Non-Banking Financial Institution, hence registration under section 45-IA of the Reserve Bank of India Act, 1934 is not required.

For **B N Subramanya & Co.**  
*Chartered Accountants*  
Firm Reg.No.004142S

**DEVENDRA NAYAK**  
*Partner*

Place: Bangalore  
Date: 30th May, 2016

Membership No. 27449

---

## Annexure B to Auditor's report of even date on the standalone financial statements of

### M/s. SMITHS & FOUNDERS (INDIA) LIMITED

#### Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of M/s. SMITHS & FOUNDERS (INDIA) LIMITED ("the Company") as of March 31<sup>st</sup>, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on, the

internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the "Guidance Note on Audit of Internal Financial Controls Over Financial Reporting" issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

- 1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the

transactions and dispositions of the assets of the company;

- 2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- 3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on, the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the "Guidance Note on Audit of Internal Financial Controls Over Financial Reporting" issued by the Institute of Chartered Accountants of India.

For **B N Subramanya & Co.**  
*Chartered Accountants*  
Firm Reg.No.004142S

**DEVENDRA NAYAK**

*Partner*

Place: Bangalore  
Date: 30th May, 2016

Membership No. 27449

# Smiths & Founders (India) Limited

## BALANCE SHEET AS AT 31st MARCH, 2016

PARTICULARS	Note No.	As at 31 March 2016 ₹	As at 31 March 2015 ₹
<b>I. EQUITY &amp; LIABILITIES</b>			
<b>1 Shareholders' Funds</b>			
Share Capital	2	10,19,96,525	10,19,96,525
Reserves & surplus	3	(4,38,74,269)	2,59,63,685
		5,81,22,256	12,79,60,210
<b>2 Shares pending allotment for consideration other than cash</b>		-	-
<b>3 Non-current liabilities</b>			
Long-term borrowings	4	81,47,981	1,25,23,395
Long-term provisions	5	45,33,975	35,86,588
		1,26,81,956	1,61,09,983
<b>4 Current liabilities</b>			
Short-term Borrowings	6	95,40,000	6,44,29,770
Trade payables	7	1,38,11,081	82,89,028
Other Current Liabilities	8	46,19,183	58,94,550
Short-term provisions	9	6,79,376	3,01,516
		2,86,49,640	7,89,14,864
<b>TOTAL</b>		<b>9,94,53,852</b>	<b>22,29,85,057</b>
<b>II. ASSETS</b>			
<b>1 Non-current assets</b>			
Fixed assets	10		
(i) Tangible assets		7,28,14,985	19,34,58,891
(ii) Intangible assets		1,14,363	1,49,547
(iii) Capital Work-in-Progress		4,87,613	-
Non - Current Investments	11	-	19,286
Long term loans & advances	12	29,70,114	30,70,470
		7,63,87,075	19,66,98,194
<b>2 Current assets</b>			
Inventories	13	97,79,685	1,42,53,693
Trade receivables	14	98,05,687	1,06,79,169
Cash & Bank Balances	15	28,85,898	,98,999
Short-term loans and advances	16	2,33,948	7,38,617
Other current assets	17	3,61,559	5,16,385
		2,30,66,777	2,62,86,863
<b>TOTAL</b>		<b>9,94,53,852</b>	<b>22,29,85,057</b>
Significant accounting policies	1		
Notes to accounts	2 to 39		

The Notes referred to above form an integral part of the financial statements.

**For and on behalf of the Board of Directors** This is the Balance Sheet referred to in our audit report of even date.

**For B.N.Subramanya & Co.**  
Chartered Accountants  
FRN : 004142S

**Suresh Shastry**  
Chairman & Managing Director  
DIN: 1099554

**Supriya Shastry**  
Whole Time Director  
DIN: 1327762

**Hareesha Gowda**  
Company Secretary  
M.No: ACS 44176

**Devendra Nayak**  
Partner  
M.No: 027449

Place: Bangalore  
Date : 30.05.2016

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2016**

PARTICULARS	Note No.	For the Year Ended 31 March 2016 ₹	For the Year Ended 31 March 2015 ₹
<b>REVENUE</b>			
Revenue from Operations	18	7,81,69,451	6,53,85,447
Other income	19	86,38,275	9,27,530
<b>Total Revenue</b>		<b>8,68,07,726</b>	<b>6,63,12,977</b>
<b>EXPENSES</b>			
Cost of material and consumables	20	3,64,14,516	2,88,00,595
Changes in inventory of work-in-progress & Finished Goods	21	20,30,093	13,11,518
Employee benefits expense	22	2,64,07,113	2,45,69,934
Finance costs	23	96,43,400	88,11,077
Depreciation and amortisation expense	24	34,70,259	39,40,651
Direct Expenses	25	1,27,77,793	88,33,590
Administration Expenses	26	91,41,175	74,28,927
Selling & Distribution Expenses	27	7,16,812	6,70,291
<b>Total Expenses</b>		<b>10,06,01,159</b>	<b>8,43,66,583</b>
<b>Profit/(Loss) before exceptional &amp; extraordinary items &amp; tax</b>		<b>(1,37,93,433)</b>	<b>(1,80,53,606)</b>
Exceptional items		-	-
<b>Profit/(Loss) before extraordinary items &amp; tax</b>		<b>(1,37,93,433)</b>	<b>(1,80,53,606)</b>
Extraordinary items		-	-
<b>Profit/(Loss) before tax</b>		<b>(1,37,93,433)</b>	<b>(1,80,53,606)</b>
Less: Tax expenses			
Current tax		14,00,000	-
Deferred tax		-	-
<b>Profit/(Loss) for the period</b>		<b>(1,51,93,433)</b>	<b>(1,80,53,606)</b>
<b>Earnings per equity share:</b>			
Basic and Diluted		<b>(0.15)</b>	<b>(0.18)</b>
Weighted no of shares		<b>10,19,96,525</b>	<b>10,19,96,525</b>
Significant accounting policies	1		
Notes to accounts	2 to 39		

The Notes referred to above form an integral part of the financial statements.

**For and on behalf of the Board of Directors**

This is the Statement of Profit and Loss referred to in our Audit report of even date.

**For B.N.Subramanya & Co.**

Chartered Accountants

FRN : 004142S

**Devendra Nayak**

Partner

M.No: 027449

**Suresh Shastry**

Chairman & Managing Director

DIN: 1099554

**Supriya Shastry**

Whole Time Director

DIN: 1327762

**Hareesha Gowda**

Company Secretary

M.No: ACS 44176

Place: Bangalore

Date : 30.05.2016

## Smiths & Founders (India) Limited

### CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2016

PARTICULARS		For the Year ended 31.03.2016		For the Year ended 31.03.2015	
		₹	₹	₹	₹
<b>A</b>	<b>Cash flows from operating activities</b>				
	Net Profit Before Taxation and Extraordinary item	(1,37,93,433)		(1,80,53,606)	
	<b>Adjustments for:</b>				
	Depreciation	34,70,259		39,40,651	
	Financial expenses (Considered under Financial Activities)	96,43,400		88,11,077	
	Interest Income (Considered under Investment Activities)	(19,392)		(3,64,230)	
	Amalgamation expenses	-		(11,06,337)	
	Profit on sale of Asset (Considered in Investment Activities)	(82,90,085)		(1,40,541)	
	<b>Operating Profit Before Working Capital Changes</b>		<b>(89,89,252)</b>		<b>(69,12,986)</b>
	(Increase)/ Decrease in Current Assets, Loans & Advances	60,06,985		(65,17,065)	
	Increase/(Decrease) in Current Liabilities	(5,02,65,224)		36,78,445	
	Working Capital changes		<b>(4,42,58,239)</b>		<b>(28,38,620)</b>
	<b>Cash Generated from operations</b>		<b>(5,32,47,491)</b>		<b>(97,51,606)</b>
	Income Tax (including Fringe Benefit Tax)		<b>(14,00,000)</b>		-
	<b>Cash Flow Before Extraordinary Item</b>		<b>(5,46,47,491)</b>		<b>(97,51,606)</b>
	Extra-ordinary items		-		-
	<b>Net cash from operating activities</b>		<b>(5,46,47,491)</b>		<b>(97,51,606)</b>
<b>B</b>	<b>Cash flows from Investment activities</b>				
	Additions to Fixed Assets	(6,44,717)		(3,67,933)	
	Sale of Fixed Asset	7,10,11,501		6,25,592	
	Increase in Long term Loans & Advances	1,19,642		(1,35,298)	
	Interest Income	19,392		3,64,230	
	<b>Net cash from Investing activities</b>		<b>7,05,05,818</b>		<b>4,86,591</b>
<b>C</b>	<b>Cash flows from financing activities</b>				
	Repayment of Loans, Deposits & Overdraft	(34,28,027)		(1,48,81,822)	
	Acceptance of Loans	-		3,26,30,000	
	Financial Cost	(96,43,400)		(88,11,077)	
	<b>Net cash from Financing activities</b>		<b>(1,30,71,427)</b>		<b>89,37,101</b>
	<b>Net Increase / Decrease in cash and cash equivalents</b>		<b>27,86,900</b>		<b>(3,27,914)</b>
	Cash and cash equivalents at beginning of period		<b>98,999</b>		<b>4,26,913</b>
	<b>Cash and cash equivalents at end of period</b>		<b>28,85,899</b>		<b>98,999</b>

#### Notes to the cash flow statement:

- Cash flow statement has been prepared under the indirect method as set out in the Accounting Standard 3 : "Cash Flow Statements" as specified in Section 133 of the Companies Act, 2013 read with Rule 7 of Companies (Accounts) Rules, 2014.
- Cash and cash equivalents consist of cash on hand and balances with banks.
- The previous year's figure have been recast, restated wherever necessary to confirm to the current presentation.

For and on behalf of the Board of Directors

This is the Cash Flow Statement referred to in our Audit report of even date.

**For B.N.Subramanya & Co.**  
Chartered Accountants  
FRN : 004142S

**Suresh Shastry**  
Chairman & Managing Director  
DIN: 1099554

**Supriya Shastry**  
Whole Time Director  
DIN: 1327762

**Hareesha Gowda**  
Company Secretary  
M.No: ACS 44176

**Devendra Nayak**  
Partner  
M.No: 027449

Place: Bangalore  
Date : 30.05.2016

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2016**

**NOTE 1**

**SIGNIFICANT ACCOUNTING POLICIES**

**1. Basis Of Preparation Of Financial Statements**

The Accompanying financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention and on the accrual basis. GAAP comprises of applicable provisions of the Companies Act, 2013 and mandatory Accounting Standards specified under Section 133 of the Act read with Rule 7 of Companies (Accounts) Rules, 2014. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

**2. Revenue Recognition:**

Revenue from Sale of goods is recognised at the point of dispatch to customers inclusive of duties & taxes.

Revenue from Sale of Services is recognized at the point of completion of service and incomplete services at 31st March, if any, the same is recognized as accrued revenue.

**3. Fixed assets, Depreciation and amortisation:**

**a. Tangible Assets**

Tangible assets are stated at cost less accumulated depreciation and impairment loss, if any.

Expenditure which are of a Capital nature are Capitalised at cost, which comprises purchase price (net of rebates and discounts), duties, levies and any directly attributable cost of bringing the assets to its working condition for the intended use.

**b. Intangible Assets**

Intangible assets are stated at cost of acquisition less accumulated amortisation and impairment losses, if any.

An intangible asset is recognised only if it is probable that the future economic benefits attributable to the asset will flow to the enterprise and the cost of such assets can be reliably measured.

**Depreciation and Amortisation**

(i) Upto 31st March, 2014, Depreciation is provided from the date the assets have been installed and put to use, on Straight Line

Method at rates specified in Schedule XIV of the Companies Act, 1956.

(ii) With effect from April 1st, 2014, depreciation on assets carried at historical cost is provided on Straight line method based on useful life as under:

Category of the Asset	No of useful life in years
Factory Building	30
Office Building	60
Wells	5
Plant and Machinery	15
Electrical Installations	10
Furniture and Fixtures	10
Office Equipment	5
Computer and Accessories	3
Vehicles	8
Software	6

(iii) The carrying value of the assets as on April 1st, 2014 is depreciated over the remaining useful life of the asset determined based on useful life mentioned in clause (b) supra.

(iv) Where the useful life of the asset is NIL as on April 1st, 2014, the carrying value as on April 1st, 2014 has been added to the opening balance of deficit in the Statement of Profit and Loss in accordance with Schedule II of the Companies Act, 2013.

**4. Foreign Currency Translation:**

Transactions in Foreign currencies are generally recorded at the exchange rate prevailing at the time of receipt / payment of money by the Company. Current Assets and Liabilities in foreign currencies are translated at the exchange rate prevailing at the Balance Sheet date. Any resulting loss/gain is charged / taken to the Profit & Loss Account.

**5. Inventories:**

Raw materials and consumables are valued at landed cost which includes freight.

In case of valuation of work-in-process, cost of materials as well as conversion cost is taken into consideration. Cost is determined using FIFO (first-in-first out) method.

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2016

Finished goods are valued based on retail method as per the 'Accounting Standard – 2' where a percentage profit margin is reduced from the sale value to arrive at the cost.

#### 6. Employee Benefits:

- i. Benefits in the form of provident fund whether in pursuance of law or otherwise which are defined contributions is accounted on accrual basis and charged to Statement of profit and loss.
- ii. The company has formed employee superannuation trust to provide the benefit of superannuation to its employees.
- iii. Defined benefit plans

Payment of present liability of future payment of gratuity is being made to approved gratuity funds, which fully cover the same under cash accumulation policy of the Life Insurance Corporation of India. The employee's gratuity is a defined benefit funded plan. The present value of the obligation under such defined benefit plan is determined based on the actuarial valuation as at the date of Balance Sheet. The company has created a group gratuity trust for the same.

Provisions for the liability on account of leave encashment has been made based on the actuarial valuation as at the date of Balance Sheet. The company has availed a policy under LIC's employee's group leave encashment cum life assurance scheme.

#### 7. Income Tax & Deferred Tax:

**Income Tax:** Tax on income for the current period is determined on the basis of taxable income and tax credits computed in accordance with the provisions of Income Tax Act, 1961, and based on the expected outcome of assessments / appeals.

**Deferred tax:** Deferred tax liability is recognized, subject to the consideration of prudence, on timing differences, being the difference between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. The tax effect is calculated on the accumulated timing differences at the end of an accounting period based on prevailing enacted or substantially enacted regulations.

Deferred Tax assets are recognized only if there is reasonable certainty that they will be realized and are reviewed for the appropriateness of the respective carrying values at each Balance Sheet date.

#### 8. Borrowing costs:

Interest on borrowings is recognised in the Statement of profit and loss, except interest incurred on borrowings, specifically raised for projects that is capitalised to the cost of the assets until such time as the asset is ready to put to use for its intended purpose, except where installation is extended beyond reasonable/normal time lines.

#### 9. Provisions, Contingent Liabilities, Contingent Assets and Capital Commitments:

Provisions are recognized for liabilities that can be measured only by using a substantial degree of estimation, if

- a) the Company has a present obligation as a result of a past event,
- b) a probable outflow of resources is expected to settle the obligation; and
- c) the amount of the obligation can be reliably estimated.

Contingent liability is disclosed in case of

- d) a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation,
- e) a present obligation when no reliable estimate is possible; and
- f) a possible obligation arising from past events where the probability of outflow of resources is not remote.

Contingent Assets are not recognized.

Provisions, Contingent Liabilities and Contingent Assets are reviewed at each Balance Sheet date.

#### Capital Commitments:

- g) Capital Commitments: Estimated amount of contracts to be executed on capital account not provided for Rs. NIL (Previous year NIL)

#### 10. Earnings Per Share

The earnings considered in ascertaining the Company's



**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2016**

earnings per share comprise of the net profit after tax for the year. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the year. The number of shares used in computing diluted earnings per share comprises the weighted average shares considered for deriving basic earnings per share, and also the weighted average number of shares, which would have been issued on conversion of dilutive potential equity shares, if any.

**11. Impairment of Assets:**

An Asset is treated as impaired when the carrying

cost of the assets exceeds its recoverable value. An impairment loss is charged to the statement of profit and loss in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

**12. Cash Flow Statement:**

Cash flow statement has been prepared under the indirect method as set out in the Accounting Standard 3 : "Cash Flow Statements" as specified in Section 133 of the Companies Act, 2013 read with Rule 7 of Companies (Accounts) Rules, 2014.

PARTICULARS	As at 31 March, 2016 ₹	As at 31 March, 2015 ₹
<b>NOTE 2 - Share Capital</b>		
Authorized Share Capital (10,25,00,000 Equity Shares of Re.1/- each)	<b>10,25,00,000</b>	10,25,00,000
Issued, Subscribed & Paid Up Share Capital (10,19,96,525 Equity Shares of Re.1/- each fully paid up)	<b>10,19,96,525</b>	10,19,96,525
<b>Total</b>	<b>10,19,96,525</b>	10,19,96,525
(a) Shares outstanding at beginning & end of the reporting period		
PARTICULARS	<b>31-Mar-16</b>	31-Mar-15
Shares outstanding at the beginning of the year	<b>10,19,96,525</b>	10,19,96,525
Shares Issued during the year	-	-
Capital Reduction during the year	-	-
Shares outstanding at the end of the year	<b>10,19,96,525</b>	10,19,96,525

(b) The Company has only one class of shares ("Equity Shares"), having a face value of Re.1 each.

(c) Shares in company held by each shareholders holding > 5% shares specifying number of shares held

Name of Share Holders	As at 31 March, 2016	% of holding
Suresh Shastry	<b>3,24,34,026</b>	31.80%
Supriya S	<b>1,95,27,125</b>	19.14%
Satish Shastry	<b>1,80,24,000</b>	17.67%
Sachin Shastry	<b>1,25,85,125</b>	12.34%
Umesh Shastry	<b>69,88,150</b>	6.85%
Hema Satish	<b>63,25,875</b>	6.20%
<b>Total</b>	<b>9,58,84,301</b>	<b>94.01%</b>

## Smiths & Founders (India) Limited

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2016

PARTICULARS	As at 31 March, 2016 ₹	As at 31 March, 2015 ₹
<b>NOTE 3 - Reserves and surplus</b>		
<b>P &amp; L Account</b>		
Opening balance	<b>(6,21,94,776)</b>	(3,25,84,091)
Add: Net Profit/(Net Loss) For the current year	<b>(1,51,93,433)</b>	(1,80,53,606)
Add: Depreciation as per Schedule 10*	-	(1,15,57,079)
<b>Closing Balance - (a)</b>	<b>(7,73,88,210)</b>	(6,21,94,776)
<b>General Reserve</b>		
Opening Balance	<b>77,92,779</b>	88,99,116
Less : Amalgamation expenses	-	11,06,337
<b>Closing Balance - (b)</b>	<b>77,92,779</b>	77,92,779
<b>Revaluation Reserve</b>		
Opening Balance	<b>8,03,65,682</b>	-
Add: Revaluation of Assets*	-	8,03,65,682
Less: Deletions on sale of Assets	<b>5,46,44,520</b>	-
<b>Closing Balance - (c)</b>	<b>2,57,21,162</b>	8,03,65,682
<b>Total (a) + (b) + (c)</b>	<b>(4,38,74,269)</b>	2,59,63,685
*Note: Refer explanatory notes to Schedule 10 - Fixed Assets		
PARTICULARS	Amount ( ₹ )	Amount ( ₹ )
<b>NOTE 4 - Long Term Borrowings</b>		
<b>Long Term Borrowings</b>		
<b>(i) Term Loans :</b>		
- From Banks		
Secured		
(i) Axis Bank	-	33,94,748
(Secured by Equitable Mortgage of land located at plot no 24 & 24A of KIADB Industrial Area, Chikkaballapura, interest rate 13.15%, repayable in 59 Months and by way of first charge over the entire current assets of the Company)		
(ii) ICICI bank	<b>81,47,981</b>	91,28,647
(Loan for Acquisition of Building at Brigade Rubix, Bangalore secured by way of Mortgage of title deeds, 9.75% interest, repayable in 110 Months.)		
Current Maturities shown in note 8 - Rs.9,30,208/-, PY. Rs.8,17,383/-		

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2016**

PARTICULARS	As at 31 March, 2016 ₹	As at 31 March, 2015 ₹
<b>NOTE 5 - Long - Term Provisions</b>		
<b>Provision for employee benefits</b>		
Provision for Superannuation	36,48,000	30,24,000
Gratuity payable to trust	3,365	-
Compensated Absences	8,82,610	5,62,588
<b>Total</b>	<b>45,33,975</b>	<b>35,86,588</b>
PARTICULARS	<b>Amount ( ₹ )</b>	<b>Amount ( ₹ )</b>
<b>NOTE 6 - Short-term borrowing</b>		
Loans repayable on demand		
- From Banks		
Secured		
Axis Bank O D A/c	-	3,17,99,770
(Secured by Mortgage of land located at plot no 24 & 24A of Chikaballapura industrial area, interest rate 13.15%. The Facility is secured by way of first charge over the entire current assets of the Company)		
- From Directors		
Unsecured		
Smt. Supriya Shastry	-	78,50,000
Sri. Satish Shastry	-	24,80,000
Sri. Suresh Shastry	<b>95,40,000</b>	2,23,00,000
<b>Total</b>	<b>95,40,000</b>	<b>6,44,29,770</b>
PARTICULARS	<b>Amount ( ₹ )</b>	<b>Amount ( ₹ )</b>
<b>NOTE 7 - Trade Payables</b>		
Dues to		
Micro, Small and Medium Enterprises	-	-
Others	<b>1,38,11,081</b>	82,89,028
<b>Total</b>	<b>1,38,11,081</b>	<b>82,89,028</b>

Note: Balances of trade payables and classification of MSME are subject to confirmation by the concerned parties.

# Smiths & Founders (India) Limited

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2016

PARTICULARS	As at 31 March, 2016 ₹	As at 31 March, 2015 ₹
<b>NOTE 8 - Other Current Liabilities</b>		
Advances received from Customers	87,500	35,110
Current maturities of long-term debt (Note 4)	9,30,208	28,17,375
Statutory Dues Payable	7,81,330	5,21,297
Directors Remuneration payable	4,81,200	4,73,404
<b>Other Payables</b>		
Ex-gratia payable	13,992	55,480
LIC Contribution payable	36,207	33,095
Other outstanding Liabilities	27,042	21,519
Power Charge Payable	7,27,388	7,14,592
Salaries and Bonus Payable	15,34,316	12,22,678
<b>Total</b>	<b>46,19,183</b>	<b>58,94,550</b>
PARTICULARS	Amount ( ₹ )	Amount ( ₹ )
<b>NOTE 9 - Short - Term Provisions</b>		
Provision for Excise Duty on Closing Stock	19,775	3,01,516
Provision for Tax (Net)	6,59,601	-
<b>Total</b>	<b>6,79,376</b>	<b>3,01,516</b>

### NOTE 10 - Fixed Assets

Amount in ₹

Sl.	Description	GROSS BLOCK (AT COST)				DEPRECIATION				NET BLOCK		
		As at 01-04-2015	Additions	Deletions	As at 31-03-2016	As at 01-04-2015	Additions	Deletions	As at 31-03-2016	As at 31-03-2016	As at 31-03-2015	
<b>a)</b>	<b>Tangible Assets</b>											
	Factory Building	2,28,35,661	-	90,43,458	1,37,92,203	56,48,204	9,56,686	10,77,444	55,27,446	82,64,757	1,71,87,457	
	Office Building	1,44,16,605	-	-	1,44,16,605	1,13,193	2,30,796	-	3,43,989	1,40,72,616	1,43,03,412	
	Wells	1,40,459	-	69,373	71,086	1,33,436	-	65,904	67,532	3,554	7,023	
	Land	14,75,14,000	-	10,92,00,000	3,83,14,000	-	-	-	-	3,83,14,000	14,75,14,000	
	Plant and Machinery*	4,97,11,331	17,300	42,38,359	4,54,90,272	4,09,27,401	10,28,050	42,38,359	3,77,17,091	77,73,181	87,83,930	
	Electrical Installations	34,46,938	22,240	3,59,200	31,09,978	11,19,045	4,49,095	1,62,747	14,05,394	17,04,585	23,27,893	
	Furniture and Fixtures	14,09,106	-	-	14,09,106	4,38,510	1,63,775	-	6,02,285	8,06,821	9,70,596	
	Office Equipment	14,11,490	1,08,755	-	15,20,245	11,58,640	1,77,286	-	13,35,926	1,84,319	2,52,850	
	Computer and Accessories	6,96,215	8,809	-	7,05,024	6,31,761	41,635	-	6,73,396	31,628	64,454	
	Vehicles	27,96,654	-	8,809	27,96,654	7,49,377	3,87,751	-	11,37,128	16,59,526	20,47,277	
	<b>Sub total (a)</b>	<b>24,43,78,459</b>	<b>1,57,104</b>	<b>12,29,10,390</b>	<b>12,16,25,173</b>	<b>5,09,19,568</b>	<b>34,35,075</b>	<b>55,44,454</b>	<b>4,88,10,188</b>	<b>7,28,14,985</b>	<b>19,345,891</b>	
<b>b)</b>	<b>Intangible Assets</b>											
	Software	2,60,850	-	-	2,60,850	1,11,303	35,184	-	1,46,487	1,14,363	149,547	
	<b>Sub total (b)</b>	<b>2,60,850</b>	<b>-</b>	<b>-</b>	<b>2,60,850</b>	<b>1,11,303</b>	<b>35,184</b>	<b>-</b>	<b>1,46,487</b>	<b>1,14,363</b>	<b>149,547</b>	
	<b>Total (a+b)</b>	<b>24,46,39,309</b>	<b>1,57,104</b>	<b>12,29,10,390</b>	<b>12,18,86,023</b>	<b>5,10,30,871</b>	<b>34,70,259</b>	<b>55,44,454</b>	<b>4,89,56,676</b>	<b>7,29,29,347</b>	<b>19,360,438</b>	
	<b>Previous Year</b>	<b>14,59,95,424</b>	<b>9,92,54,588</b>	<b>6,10,703</b>	<b>24,46,39,309</b>	<b>3,56,58,793</b>	<b>1,54,97,730</b>	<b>1,25,652</b>	<b>5,10,30,871</b>	<b>19,36,08,438</b>	<b>11,033,631</b>	

(i) The recoverable amount of all assets exceeds the carrying amount, as at 31st March, 2016 hence the Company has not recognized any impairment losses as required by AS 28 as at that date.

(ii) The Depreciation is charged on Straight Line basis over the useful life of the assets as per Schedule II of the Companies Act, 2013.

(iii) The Company has re-valued its entire Land as on 31st of March 2015 consequent to which a sum of Rs. 8,03,65,682/- has been added to the Gross Block due to such revaluation.

(iv) During the previous year, the Company has reviewed the useful life of all category/subcategory of the Fixed Assets, in the context of useful life prescribed under Schedule II of the Companies Act, 2013. Further, where the useful life of the items is 'Nil' as on 1st April, 2014 in accordance with schedule II of the Companies Act, 2013, the carrying value as on 1st April, 2014 of Rs.1,15,57,079/- has been added to the opening balance of deficit in the Statement of Profit & Loss Account.

(v) \*Deletion of Plant & Machinery of Rs. 42,38,359/- from the Gross Block and Accumulated depreciation is due to impairment. The Carrying value of such items are Rs. 2,49,425/- . Since the recoverable value as on 31st March 2016 is Nil, the carrying value is charged as depreciation.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2016**

PARTICULARS	As at 31 March, 2016 ₹	As at 31 March, 2015 ₹
<b>NOTE 11 - Non-Current Investments</b>		
National Savings Certificate	-	19,286
<b>Total</b>	<b>-</b>	<b>19,286</b>
PARTICULARS	Amount ( ₹ )	Amount ( ₹ )
<b>NOTE 12 - Long Term Loans &amp; Advances</b>		
Security Deposits (Unsecured, considered good)		
Deposits with Government Authorities	19,58,714	20,62,470
Rental Deposits	10,05,000	10,05,000
Other Deposits	6,400	3,000
<b>Total</b>	<b>29,70,114</b>	<b>30,70,470</b>
PARTICULARS	Amount ( ₹ )	Amount ( ₹ )
<b>NOTE 13 - Inventories</b>		
Raw material (Valued at landed cost which includes freight)	32,34,784	50,55,593
Consumables (Valued at landed cost which includes freight)	18,06,002	24,29,108
Work-in-Progress (Valued at cost of material & conversion cost)	41,26,941	36,04,151
Finished Goods (Valued at retail method as per AS -2)	6,11,958	31,64,841
<b>Total</b>	<b>97,79,685</b>	<b>1,42,53,693</b>
PARTICULARS	Amount ( ₹ )	Amount ( ₹ )
<b>NOTE 14 - Trade Receivables</b> (Unsecured, considered good)		
Outstanding more than 6 months	-	-
Others	98,05,687	1,06,79,169
<b>Total</b>	<b>98,05,687</b>	<b>1,06,79,169</b>
PARTICULARS	Amount ( ₹ )	Amount ( ₹ )
<b>NOTE 15 - Cash &amp; Bank Balances</b>		
Balances with Banks		
Current Accounts	28,65,640	84,590
Cash on hand	20,258	14,409
<b>Total</b>	<b>28,85,898</b>	<b>98,999</b>
PARTICULARS	Amount ( ₹ )	Amount ( ₹ )
<b>NOTE 16 - Short-Term Loans And Advances</b>		
Advances to Suppliers	1,21,400	20,574
Prepaid Expenses	1,12,548	7,18,043
<b>Total</b>	<b>2,33,948</b>	<b>7,38,617</b>

## Smiths & Founders (India) Limited

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2016

PARTICULARS	As at 31 March, 2016 ₹	As at 31 March, 2015 ₹
<b>NOTE 17 - Other Current Assets</b>		
TDS and Advance Tax	2,05,900	2,19,771
Amounts with government authorities	1,53,508	2,91,513
Other Advances	2,151	5,101
<b>Total</b>	<b>3,61,559</b>	<b>5,16,385</b>
PARTICULARS	2015-2016 Amount ( ₹ )	2014-2015 Amount ( ₹ )
<b>NOTE 18 - Revenue From Operations</b>		
<b>Sales of Products</b>	<b>8,72,30,000</b>	<b>7,28,15,861</b>
Less: Sales Returns	4,714	29,668
Less: Excise duty	93,06,834	76,47,246
	<b>7,79,18,451</b>	<b>6,51,38,947</b>
<b>Sale of Services</b>		
Labour Charges	2,51,000	2,46,500
	<b>2,51,000</b>	<b>2,46,500</b>
<b>Total</b>	<b>7,81,69,451</b>	<b>6,53,85,447</b>
PARTICULARS	Amount ( ₹ )	Amount ( ₹ )
<b>NOTE 18.1 - Sale by Class of Goods and Services</b>		
<b>Sale of Products</b>		
Steel Forgings	6,62,63,263	5,13,77,148
Steel Scrap	11,32,480	17,48,828
Cast Iron Castings	8,22,340	4,46,250
Cylinder Liners	97,00,368	1,11,69,097
Steel Rounds	-	3,79,086
Wear Rings	-	18,538
	<b>7,79,18,451</b>	<b>6,51,38,947</b>
<b>Sale of Services</b>		
Labour/Developmental Charges	2,51,000	2,46,500
	<b>2,51,000</b>	<b>2,46,500</b>
<b>Total</b>	<b>7,81,69,451</b>	<b>6,53,85,447</b>
PARTICULARS	Amount ( ₹ )	Amount ( ₹ )
<b>NOTE 19 - Other Income</b>		
Interest Income	19,392	3,64,230
Foreign Exchange Gain (Net)	1,37,352	5,993
Duty Drawback	30,165	40,883
Profit on sale of Asset	82,90,085	1,40,541
Discount received	-	3,35,142
Other Income	1,47,781	4,500
Credits Written back	13,500	36,241
<b>Total</b>	<b>86,38,275</b>	<b>9,27,530</b>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2016**

PARTICULARS	2015-2016 Amount ( ₹ )	2014-2015 Amount ( ₹ )
<b>NOTE 20 - Cost of material and consumables</b>		
<b>Raw Materials</b>		
Opening Stock	50,55,593	34,21,074
Add: Purchases	3,01,97,426	2,78,84,524
Less: Closing Stock	32,34,784	50,55,593
	<b>3,20,18,235</b>	2,62,50,005
<b>Consumables</b>		
Opening Stock	24,29,108	20,34,489
Add: Purchases	37,73,175	29,45,209
Less: Closing Stock	18,06,002	24,29,108
	<b>43,96,281</b>	25,50,590
<b>Total</b>	<b>3,64,14,516</b>	2,88,00,595
PARTICULARS	Amount ( ₹ )	Amount ( ₹ )
<b>NOTE 21 - Changes in inventory of work-in-progress &amp; Finished Goods</b>		
<b>Work-in Progress</b>		
Opening Stock	36,04,151	17,03,695
Less : Closing Stock	41,26,941	36,04,151
	<b>(5,22,790)</b>	(19,00,456)
<b>Finished Goods</b>		
Opening Stock	31,64,841	63,76,815
Less : Closing Stock	6,11,958	31,64,841
	<b>25,52,883</b>	32,11,974
<b>Total</b>	<b>20,30,093</b>	13,11,518
<b>Raw Materials under Broad Heads</b>		
PARTICULARS	31-Mar-16	31-Mar-15
Consumption of Steel	3,20,18,235	2,56,27,488
Consumption of Pig Iron	-	6,22,517
<b>Total</b>	<b>3,20,18,235</b>	2,62,50,005
<b>Work-in-Progress under Broad Heads</b>		
Semi finished Castings & Liners	31,33,725	10,50,097
Semi finished Forgings	9,93,216	10,50,097
<b>Total</b>	<b>41,26,941</b>	21,00,194
<b>Imported &amp; Indigenous consumption</b>	<b>31-Mar-16</b>	31-Mar-15
Imported	-	-
% to total raw material consumption	0%	0%
Indigenous	3,20,18,235	2,62,50,005
% to total raw material consumption	100%	100%

## Smiths & Founders (India) Limited

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2016

PARTICULARS	2015-2016 Amount ( ₹ )	2014-2015 Amount ( ₹ )
<b>NOTE 22 - Employee Benefits Expense</b>		
Salaries & Wages	1,23,29,431	1,19,08,566
Gratuity & Leave Salary	9,36,849	4,95,182
Bonus	7,17,964	2,38,800
PF & ESI and other Labour Welfare fund	19,47,284	19,17,057
Staff Welfare	3,39,063	3,03,671
Employee Training Expenses	7,921	7,494
Ex-Gratia	15,592	55,480
Production Incentive	17,20,773	11,95,221
Directors Remuneration and Perquisites	83,92,236	84,48,463
<b>Total</b>	<b>2,64,07,113</b>	<b>2,45,69,934</b>
PARTICULARS	Amount ( ₹ )	Amount ( ₹ )
<b>NOTE 23 - Finance Costs</b>		
Interest on Deposits	-	16,90,118
Interest on Loans	96,43,400	71,20,959
<b>Total</b>	<b>96,43,400</b>	<b>88,11,077</b>
	Amount ( ₹ )	Amount ( ₹ )
<b>NOTE 24 - Depreciation And Amortisation Expense</b>		
Tangible Asset	34,35,075	1,54,59,379
Intangible Asset	35,184	38,350
<b>Total</b>	<b>34,70,259</b>	<b>1,54,97,729</b>
	Amount ( ₹ )	Amount ( ₹ )
<b>Note 25 - Direct Expenses</b>		
Power Charges	94,94,280	74,61,792
Labour Charges	26,75,707	8,37,540
Material Handling Charges	1,01,901	84,861
Freight Inward & Transportation Charges	5,01,153	4,32,431
Material Testing Charges	4,753	16,966
<b>Total</b>	<b>1,27,77,793</b>	<b>88,33,590</b>
	Amount ( ₹ )	Amount ( ₹ )
<b>Note 26 - Administration Expenses</b>		
Bank Charges	1,86,292	1,21,547
Membership & Subscription Charges	18,766	51,480
Service Tax on GTA	15,447	6,143
Rent	24,22,710	24,18,960



**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2016**

PARTICULARS	2015-2016 Amount ( ₹ )	2014-2015 Amount ( ₹ )
Audit Fee	2,30,000	2,84,000
Professional Fees	2,67,806	1,61,178
Postage & Courier Charges	35,487	40,266
Telephone & Internet Charges	1,28,651	1,22,327
Insurance	64,347	1,25,951
Increase / (decrease) in Excise Duty on Closing Stock	(2,81,741)	(3,83,649)
Repair & Maintenance - Building	10,373	45,569
Repair & Maintenance - Machinery	4,50,729	3,38,708
Repair & Maintenance - Others	11,73,371	10,02,449
Rates & Taxes	14,15,235	2,65,840
Others Admin Expenses	4,03,925	2,93,592
Statutory Interests	1,433	6,297
Donations	44,001	28,001
Travelling & Conveyance	1,47,338	1,67,024
Electricity & Water Charges	4,02,954	3,54,066
Printing and Stationery	1,20,194	94,667
Office Expenses	89,505	1,54,243
AGM Expenses	4,34,780	4,59,106
Security Charges	13,30,386	12,68,052
Balances Written Off	29,186	3,110
<b>Total</b>	<b>91,41,175</b>	<b>74,28,927</b>
	<b>Amount ( ₹ )</b>	<b>Amount ( ₹ )</b>
<b>NOTE 27 - Selling &amp; Distribution Expenses</b>		
Business Promotion	1,17,212	1,52,111
Sales commission	1,73,073	1,54,011
Freight Outward	4,26,527	3,64,169
<b>Total</b>	<b>7,16,812</b>	<b>6,70,291</b>
	<b>Amount ( ₹ )</b>	<b>Amount ( ₹ )</b>
<b>NOTE 28 - Payments to Auditors during the year</b>		
As Auditor	1,50,000	2,00,000
For Taxation Matters	40,000	40,000
For Certification Charges	10,000	14,000
For Other Services	30,000	30,000
<b>Total</b>	<b>2,30,000</b>	<b>2,84,000</b>

## Smiths & Founders (India) Limited

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2016

PARTICULARS	Category	
<b>NOTE 29 - Related Party Disclosure</b>		
<b>List of related parties where control exists</b>		
Mr. Suresh Shastry	Key Management Personnel	
Mr. Satish Shastry	Key Management Personnel	
Mr. Umesh Shastry	Key Management Personnel	
Mrs. Supriya S.	Key Management Personnel	
Mrs. Hema Satish	Relative of Key Management Personnel	
Mr. Aneesh Shastry	Relative of Key Management Personnel	
Mrs. Kamala Kashinath	Relative of Key Management Personnel	
Master Sachin Shastry	Relative of Key Management Personnel	
Mrs. Shailaja Suresh	Relative of Key Management Personnel	
	<b>2015-2016</b>	2014-2015
	<b>Amount ( ₹ )</b>	<b>Amount ( ₹ )</b>
<b>NOTE 29.1 - Transactions with related parties</b>		
<u>Registered Office rent</u>		
- Mr. Suresh Shastry	<b>18,00,000</b>	18,00,000
- Mrs. Shailaja Suresh	<b>5,40,000</b>	600,000
<u>Remuneration and perquisites</u>		
- Mr. Satish Shastry	<b>19,20,000</b>	19,20,000
- Mr. Suresh Shastry	<b>19,20,000</b>	19,20,000
- Mr. Umesh Shastry	<b>19,20,000</b>	19,20,000
- Mrs. Supriya S.	<b>19,20,000</b>	19,20,000
<u>Deposits Repaid</u>		
- Mrs. Shailaja Suresh	-	39,35,000
- Mrs. Kamala Kashinath	-	3,00,000
- Mr. Suresh Shastry	-	15,00,000
- Master Sachin Shastry	-	9,60,000
- Mrs. Hema Satish	-	5,50,000
- Mr. Aneesh Shastry	-	
<u>Interest paid on deposits</u>		
- Mrs. Shailaja Suresh	-	3,58,848
- Master Sachin Shastry	-	1,00,135
- Mrs. Kamala Kashinath	-	39,486
- Mrs. Hema Satish	-	55,159
- Mr. Suresh Shastry	-	8,98,715

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2016**

PARTICULARS	2015-2016 Amount ( ₹ )	2014-2015 Amount ( ₹ )
- Mr. Aneesh Shastry	-	-
- Mrs. Supriya S.	-	6,16,322
- Mr. Satish Shastry	-	82,014
<u>Loan taken by the Company</u>		
- Mrs. Supriya S.	2,00,000	78,50,000
- Mr. Satish Shastry	11,20,000	24,80,000
- Mr. Suresh Shastry	76,40,000	2,23,00,000
- Mr. Umesh Shastry	30,000	-
<u>Loans Repaid</u>		
- Mrs. Supriya S.	80,50,000	-
- Mr. Satish Shastry	36,00,000	-
- Mr. Suresh Shastry	2,04,00,000	-
- Mr. Umesh Shastry	30,000	-
<u>Interest paid on Loans</u>		
- Mrs. Supriya S.	9,62,034	6,15,060
- Mr. Satish Shastry	3,70,873	81,947
- Mr. Suresh Shastry	31,27,331	7,48,853
- Mr. Umesh Shastry	1,087	-
	<b>31-Mar-16 Amount ( ₹ )</b>	<b>31-Mar-15 Amount ( ₹ )</b>
<b>NOTE 29.2 - Outstanding Amount pertaining to related party - Receivable / (Payable)</b>		
<b>Outstanding Amount pertaining to related party</b>		
<u>Loans Outstanding</u>		
- Mr. Suresh Shastry	(95,40,000)	-
<u>Rental Deposit for Office premises</u>		
- Mr. Suresh Shastry	7,50,000	7,50,000
- Mrs. Shailaja Suresh	2,50,000	2,50,000
<u>Remuneration Payable</u>		
- Mr. Satish Shastry	(1,20,300)	(1,20,300)
- Mr. Umesh Shastry	(1,20,300)	(1,20,300)
- Mr. Suresh Shastry	(1,20,300)	(1,20,300)
- Mrs. Supriya S.	(1,20,300)	(1,20,300)

## Smiths & Founders (India) Limited

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2016

30. The financial statements have been prepared in consonance with the Schedule III to the Companies Act, 2013, to the extent possible, for presentation and previous year's figures have been accordingly regrouped wherever necessary to conform to the current year's classification.
31. Figures have been rounded off to the nearest rupee.
32. **Details of Deferred Tax Liability:**

The Deferred Tax liability / (Asset) calculation for the year 2015-16 as under:

PARTICULARS	Amount ( ₹ )	Amount ( ₹ )
<b>O/p Deferred Tax Liability/(Asset) as on 31.03.2016</b>		<b>(86,54,803)</b>
Effect of Depreciation		
Depreciation as per books of account	<b>34,70,259</b>	
Depreciation as per Income Tax	<b>18,34,855</b>	
DTA thereon		(5,05,340)
<b>Losses:</b>		
Reversal of DTA on B/fd Lossed	<b>1,78,98,377</b>	
DTL thereon		55,30,598
<b>DTL / (DTA) as on 31.03.2016</b>		<b>(36,29,545)</b>

Note: Deferred Tax Asset has not been recognised due to the concept of prudence.

### 33. Leases:

- a. The Company is proposing to renew the operating lease arrangements for office premises for a period of 11 months commencing from 01 April 2016.

Future minimum lease payments	Current Year	Previous Year
Not later than one year	<b>22,00,000</b>	22,00,000
Later than one year and not later than five years: NIL	<b>NIL</b>	NIL
Later than five years: NA	<b>NA</b>	NIL

34. Expenditure in Foreign Currency : Rs. NIL (Previous Year Rs. NIL)

### 35. Earnings in Foreign Currency:

- F.O.B. Value of Exports Rs. 36.78 lakhs (Previous Period Rs. 20.93 lakhs)

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2016**

**36. Employee Benefits:**

The following table set out the status of the gratuity and leave encashment plan as required under AS 15:

Particulars	Year ended 31 March, 2016	
	Gratuity	Leave encashment
<b>Components of employer expense</b>		
Current service cost	3,19,369	42,300
Interest cost	1,46,364	45,666
Expected return on plan assets	(2,00,740)	(4,250)
Actuarial losses/ (gains)	1,97,340	3,35,501
<b>Total expense recognised in the Statement of profit and loss</b>	<b>4,62,333</b>	<b>4,19,217</b>
<b>Actual contribution and benefit payments for year</b>		
Actual benefit payments	(3,07,669)	(73,866)
Actual contributions	15,066	38,882
<b>Net asset / (liability) recognised in the Balance Sheet</b>		
Present value of defined benefit obligation	21,84,950	9,20,422
Fair value of plan assets	21,81,584	37,812
Funded status [Surplus / (Deficit)]	(3365)	(8,82,610)
<b>Net asset / (liability) recognised in the Balance Sheet</b>	<b>(3365)</b>	<b>(8,82,610)</b>
Particulars	Year ended 31 March, 2016	
	Gratuity	Leave encashment
<b>Change in defined benefit obligations (DBO) during the year</b>		
Present value of DBO at beginning of the year	18,29,546	5,70,821
Current service cost	3,19,369	42,300
Interest cost	1,46,364	45,666
Actuarial (gains) / losses	1,97,340	3,35,501
Benefits paid	(3,07,669)	(73,866)
<b>Present value of DBO at the end of the year</b>	<b>21,84,950</b>	<b>9,20,422</b>
<b>Change in fair value of assets during the year</b>		
Plan assets at beginning of the year	22,73,448	68,546
Expected return on plan assets	2,00,740	(4,250)
Actual company contributions	15,066	38,882
Actual gain / (loss)	NIL	8500
Benefits paid	(3,07,669)	(73,866)
<b>Plan assets at the end of the year</b>	<b>21,81,585</b>	<b>37,812</b>
<b>Actuarial assumptions</b>		
Discount rate	8.00%	8.00%
Salary escalation	7.00%	7.00%
<b>Experience adjustments</b>	<b>Gratuity</b>	<b>Leave encashment</b>
Experience Adjustments on Plan Assets	NIL	NIL
Experience Adjustments on Plan Liabilities	197,340	3,35,501

## Smiths & Founders (India) Limited

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2016

#### 37. Segment Reporting:

The Company is operating in Forgings & Castings which is treated as related products since both falls under automotive industry. The risk and rewards are not independent of each other. Therefore, the Company is operating in one segment and hence no disclosure as per A.S 17 – “Segment Reporting” is made.

#### 38. Calculation of Earnings per share as per Accounting Standard (AS-20) “Earnings per Share”

PARTICULARS	2015-16	2014-15
Net Profit/(Loss) for the year	(1,37,93,433)	(1,80,53,605)
Weighted average no of equity shares	10,19,96,525	10,19,96,525
Nominal Value per share	1	1
Basic and Diluted EPS	(0.15)	(0.18)

#### 39. Contingent Liability:

The company is yet to receive certain C-forms for the interstate sales made. In case if the company fails to receive the same, there will be an estimated outflow of funds to the extent of Rs. 9.70 lakhs (Previous Year – Rs. 6.13 lakhs)

The notes above form an integral part of the financial statements.

This is the notes to accounts referred to in our report of even date.

For and on behalf of the Board of Directors

For **B.N.Subramanya & Co.**  
Chartered Accountants  
FRN : 004142S

**Suresh Shastry**  
Chairman & Managing Director  
DIN: 1099554

**Supriya Shastry**  
Whole Time Director  
DIN: 1327762

**Hareesha Gowda**  
Company Secretary  
M.No: ACS 44176

**Devendra Nayak**  
Partner  
M.No: 027449

Place: Bangalore  
Date : 30.05.2016

**Smiths & Founders (India) Limited**

CIN: L85110KA1990PLC011303

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

*[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]*

Name of the member (s) :

Registered address :

E-mail Id :

Folio No. / Client Id :

DP ID :

I/We, being the member (s) of ..... shares of the Smiths & Founders (India) Limited, hereby appoint :

1. Name : .....  
 Address : .....  
 E-mail Id : .....  
 Signature : ....., or failing him/her
2. Name : .....  
 Address : .....  
 E-mail Id : .....  
 Signature : ....., or failing him/her
3. Name : .....  
 Address : .....  
 E-mail Id : .....  
 Signature : .....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Twenty-fifth Annual General Meeting of the Company, to be held on Saturday, the 24th day of September, 2016 at 10.00 a.m. at MEWS Ladies Club, No.37, 17th Cross (between 4th & 6th Main), Malleswaram, Bangalore 560 055 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Description	For	Against
1	Adoption of Audited Financial Statements for the year ended March 31, 2016.		
2	Re-appointment of Ms. Supriya Shastry as a Director.		
3	Re-appointment of Mr. Suresh Shastry as a Director.		
4	Ratification of appointment of M/s. B.N. Subramanya & Co., Chartered Accountants, as Auditors and fix their remuneration.		

Signed this ..... day of ..... 2016 Signature of shareholder .....

Affix  
1 Rupee  
Revenue  
Stamp

\_\_\_\_\_  
Signature of first proxy holder

\_\_\_\_\_  
Signature of second proxy holder

\_\_\_\_\_  
Signature of third proxy holder

**Note :**

- (1) **This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting.**
- (2) **A proxy need not be a member of the Company.**
- (3) A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
- (4) **This is only optional.** Please put a 'X' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
- (5) Appointing a proxy does not prevent a member from attending the meeting in person if he/she so wishes.
- (6) In the case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.



## Smiths & Founders (India) Limited

Regd.Office : No.505, 5th Floor, Brigade Rubix, No.20, HMT Main Road, Bangalore 560 013,  
Phone : 80-64503851, e-mail : cosec@smithsandfoundersindia.com, CIN : L85100KA1990PLC011303

Dear Shareholder(s)

As per the Companies Act, 2013 every Company is required to maintain its Register of Members in new format fully updated. In view of this new requirement, we request you to provide the details as sought below duly filled and signed to our Registrar and Share Transfer Agents:

### Integrated Enterprises (India) Limited

30, Ramana Residency, 4th Cross, Sampige Road, Malleswaram, Bangalore 560003

**Note:** Shareholders holding shares in demat form are requested to update their details to their Depository Participant where they have opened their Demat Account.

Dear Sir/Madam,

I/We wish to furnish the following details for updating in the Company's Register of Members pursuant to Section 88 of the Companies Act, 2013 and Rule 3(1) of the Companies (Management & Administration) Rules, 2014.

SI.No.	Particulars	Details
1	Folio Number	
2	Name of the Shareholder(s)	
3	Name of Joint Holders, if any	
4	Address/Registered Address (in case of body corporate)	
5	E-mail Id. (to which documents/notices can be served through electronic mode)	
6	CIN/Registration No. (in case of body corporate)	
7	Unique Identification No.	
8	Father's/Mother's/Spouse's Name	
9	Status	
10	Occupation	
11	PAN No.	
12	Nationality	
13	Whether you wish to receive Notices, Report and Accounts and other documents through electronic mode	

Place :

Date :

(Signature of Shareholder/s)

***This page has been intentionally left blank***

VENUE ROUTE MAP



## **Smiths & Founders (India) Limited**

(CIN: L85100KA1990PLC011303)

Regd. Office : No.505, 5th Floor, Brigade Rubix,  
No.20, HMT Main Road, BANGALORE 560 013.