

# Sundram Fasteners Limited

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## NOTICE TO THE SHAREHOLDERS

NOTICE is hereby given that the Fiftieth Annual General Meeting of the Shareholders of the Company will be held at the Music Academy, New No. 168, T T K Road (Mowbrays Road), Chennai 600 014 on **Friday the 23<sup>rd</sup> August 2013 at 10.00 a.m.** to transact the following business:

### Ordinary Business

- 1) To consider and, if thought fit, to pass, with or without modification the following Resolution as an Ordinary Resolution:  
"RESOLVED that the Audited Balance Sheet as at 31st March 2013, the statement of Profit and Loss Account for the year ended 31st March 2013 and the Reports of the Directors and the Auditors of the Company, be and are hereby approved and adopted."
- 2) To consider and, if thought fit, to pass, with or without modification the following Resolution as an Ordinary Resolution:  
"RESOLVED that Sri V Narayanan, who retires by rotation and being eligible for re-appointment, be and is hereby appointed as a Director of the Company."
- 3) To consider and, if thought fit, to pass, with or without modification the following Resolution as an Ordinary Resolution:  
"RESOLVED that Sri R Ramakrishnan, who retires by rotation and being eligible for re-appointment, be and is hereby appointed as a Director of the Company."
- 4) To consider and, if thought fit, to pass, with or without modification the following Resolution as an Ordinary Resolution:  
"RESOLVED that M/s Sundaram & Srinivasan, Chartered Accountants, Chennai, Auditors of the Company, (Registration No. 004207S with the Institute of Chartered Accountants of India), be and are hereby re-appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company on such remuneration as may be determined by the Board of Directors of the Company, in addition to reimbursement of travelling and other out-of-pocket expenses actually incurred by them in connection with the audit."

### Special Business

- 5) To consider and, if thought fit, to pass, with or without modification the following Resolution as an Ordinary Resolution:  
"RESOLVED that Ms Arundathi Krishna, Whole-time Director of company be and is hereby re-designated as Deputy Managing Director of the Company with effect from 30th May 2013.  
  
RESOLVED FURTHER that except for the above change, all other terms and conditions as approved by the shareholders vide their resolution dated 20th August 2009 shall remain unaltered till the end of the current tenure."
  - 6) To consider and, if thought fit, to pass, with or without modification the following Resolution as an Ordinary Resolution:  
"RESOLVED that consent of the Company be and is hereby accorded under Sections 198, 269, 309 310 and 316 of the Companies Act, 1956 and such other applicable provisions, if any, for the appointment of Ms Arundathi Krishna as Managing Director of the Company (designated as Deputy Managing Director) for
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a period of five years from 18th September 2013 to 17th September 2018 on the terms and conditions including remuneration in accordance with the provisions of Schedule XIII to the Companies Act, 1956, as set out in the Explanatory Statement attached to the Notice convening this Annual General Meeting.

RESOLVED FURTHER that the Board of Directors be and is hereby authorized to vary, from time to time, the percentage and quantum of commission / performance bonus payable to the Deputy Managing Director, provided that the total remuneration payable whether by way of salary, perquisites or commission / performance bonus shall not exceed 5% of the net profits of the Company in any financial year.

RESOLVED FURTHER that the above remuneration allowed to the Deputy Managing Director shall be subject to such limits for the remuneration as laid down by the Central Government in Schedule XIII to the Companies Act, 1956 and / or such changes / variations / substitutions as may be made therein from time to time.

RESOLVED FURTHER that notwithstanding anything to the contrary contained herein, where in any financial year during the currency of the tenure of the Deputy Managing Director, the Company has no profits or its profits are inadequate, the Company will pay Ms Arundathi Krishna, Deputy Managing Director the remuneration by way of salary and perquisites not exceeding the limits indicated in the Explanatory Statement.

RESOLVED FURTHER that the scope and quantum of remuneration specified hereinabove, may be enhanced, enlarged, widened, altered or varied by the Board of Directors in the light of and in conformity with any amendments to the relevant provisions of the Companies Act, 1956 and/or the rules and regulations made thereunder and/or such guidelines as may be announced by the Central Government from time to time."

By Order of the Board

**V G JAGANATHAN**  
Executive Director & Secretary

Chennai  
May 30, 2013

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## Notes:

- 1) **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON POLL INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER.**
- 2) The instrument appointing proxy should be deposited either at the Registered Office of the Company or at the office of the Company's Share Transfer Agents viz. Integrated Enterprises (India) Limited, Kences Towers, 2nd Floor, No. 1 Ramakrishna Street, North Usman Road, T Nagar, Chennai 600 017 at least 48 hours before the commencement of the meeting. Proxy form enclosed.
- 3) An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of special business in Item No. 5 and 6 of Notice is hereto.
- 4) **SEBI vide its circular no. CIR/MRD/DP/10/2013 dated 21.03.2013 has mandated that in order to enable usage of electronic payment instruments, companies whose securities are listed on the stock exchanges (or their RTI & STA) shall maintain requisite bank details of their investors. The circular further mandates the Companies or their Registrar & Share Transfer Agents (R&STA) shall take necessary steps to maintain updated bank details of the investors at its end. The circular also provides that only in cases where MICR, IFSC Code required for making electronic payment are not available or the electronic payments instructions have failed or have been rejected by the Bank, companies / R&STA can make cash payments (i.e. dividend warrant) to investors. However, even while making such payments by cash, companies shall mandatorily print the bank account details of the investors on such electronic payments. In view of the above circular, investors may note the following advice:-**

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**Investors holding shares in physical mode are requested to intimate / update the bank account details viz, Bank Name, Bank Branch, Account Number, MICR No., IFSC Code along with a copy of the cancelled cheque to the company / R&STA for updating your records with us.**

**Investors holding shares in demat mode are requested intimate / update the bank account details with other details as may be required by their concerned Depository Participant.**

- 5) The Register of Members and the Share Transfer Books of the Company will remain closed from Tuesday the 13th August, 2013 to Friday the 23rd August 2013 (both days inclusive).
- 6) Members desiring any information as regards accounts are requested to write to the Company at least 7 days before the meeting so as to enable the Management to keep the information ready.
- 7) Members, holding shares in physical form, are requested to notify / send the following to the Registrar and Share Transfer Agent of the Company:
  - a) any change in their address / mandate / bank details
  - b) particulars of their bank account, in case they have not been sent earlier
  - c) nomination in Form 2B, in duplicate, as provided under Section 109A of the Companies Act, 1956, in case they have not been sent earlier
  - d) share certificate(s) held in multiple accounts in identical names or joint accounts in the same order of names, for consolidation of such shareholdings into one account
- 8) Members, holding shares in electronic form, may please note that, as per the applicable regulations of the Depositories, the bank details as furnished by the respective Depositories to the Company will be printed on the dividend warrants issued from time to time. The Company will not entertain any direct request from such members for deletion of / change in such bank details. Further, instructions if any, already given by members in respect of shares in physical form will not be automatically applicable to the dividend payable on shares in electronic form. Members may, therefore, give instructions regarding bank accounts in which they wish to receive dividend, directly to their Depository Participants.
- 9) As required under the Companies Unpaid Dividend (Transfer to General Revenue Account of the Central Government)(Amendment) Rules, 1988, the unpaid / unclaimed dividend for the financial year ended upto 31st March 1995 was transferred to the General Revenue Account of the Central Government. Members who have not encashed the dividend warrants for the said periods are requested to claim the amount from the Registrar of Companies (Tamil Nadu), Shastri Bhavan, Block No.6, II Floor, 26, Haddows Road, Chennai 600 006. In case any assistance is required, members may write to the Registrar and Share Transfer Agent of the Company.

Consequent upon amendment to Section 205A of the Companies Act, 1956 and introduction of Section 205C by the Companies (Amendment) Act, 1999, the amount of dividend remaining unclaimed and/or unpaid for a period of seven years is to be transferred to the Investor Education and Protection Fund (IEPF) of the Central Government.

Accordingly, unclaimed dividend for the financial years ended 31st March 1996 to 31st March 2006 (including unclaimed dividend of erstwhile TVS Autolec Limited (TVSA)) was transferred to IEPF. In terms of the provisions of Section 205C of the Companies Act, 1956, no claim shall lie against the Company or the said Fund after the said transfer.

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Details of dividend declared by the Company for the financial year 2006-2007 (1st Interim) and onwards are given below:

Financial Year	Pay-out	Declared on	Dividend %	Amount per share Rs
2006-2007	1st Interim - pre-bonus	26-11-2006	85	0.85
2006-2007	2nd Interim - post-bonus	12-03-2007	45	0.45
2007-2008	1st Interim	29-10-2007	45	0.45
2007-2008	2nd Interim	06-06-2008	45	0.45
2008-2009	Interim	04-06-2009	50	0.50
2009-2010	1st Interim	29-01-2010	40	0.40
2009-2010	2nd Interim	29-05-2010	50	0.50
2010-2011	1st Interim	09-11-2010	55	0.55
2010-2011	2nd Interim	30-05-2011	70	0.70
2011-2012	1st Interim	09-02-2012	60	0.60
2011-2012	2nd Interim	28-05-2012	80	0.80
2012-2013	1st Interim	08-11-2012	60	0.60
2012-2013	2nd Interim	30-05-2013	80	0.80

Members who have not encashed the dividend warrant(s) so far for the financial year ended 31st March 2007 (1st Interim) and/or any subsequent financial years are requested to make their claim to the Registrar and Share Transfer Agents of the Company.

- 10) At this annual general meeting Sri V Narayanan, Director and Sri R Ramakrishnan, Director, retire by rotation and being eligible, offer themselves for re-appointment.

## Particulars of Directors seeking re-appointment as required to be furnished under Clause 49 of the Listing Agreement

### Sri V Narayanan

Sri V Narayanan, aged about 75 years, is an M Sc (Chemistry) from Madras University and has managerial experience spanning over 50 years. He was the Chairman and Managing Director of erstwhile Pond's (India) Limited. He has been associated with the Company as Director since September 1994.

Directorship	Committee Membership
<b>Director in Public Limited Companies</b> Tamil Nadu Newsprint & Papers Limited	Audit Committee (Chairman) Investor Grievance Committee (Chairman)

The details of other Directorship / Committee Memberships held by Sri V Narayanan are as follows:

As on date he is holding 1,200 equity shares of Re 1 each.

### Sri R Ramakrishnan

Sri R Ramakrishnan aged about 76 years is a Bachelor of Science from Madras University. He underwent training in Tata Iron & Steel Company Limited, Jamshedpur. He is a lifetime Member of Wire Association International, USA. He started Indian Reinforcing Co (Welded Mesh) Pvt Ltd in 1958 and Concord Arai Pvt Ltd in 1965. He was a Member of Indian Advisory Board, Standard Chartered Bank for 6 years during 1987 to 1993. He was a

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Director of IndusInd Bank Limited, Mumbai, for 8 years from 1996 to 2004. He was a Director of SRP Tools Limited, Chennai, from 1990 to 2005. Sri R Ramakrishnan has more than 56 years of managerial experience in manufacturing, marketing as an entrepreneur. He has 22 years' experience in Finance and Banking. He has been associated with the Company since June 2003.

The details of other Directorships/Committee Memberships held by Sri R Ramakrishnan are as follows:

Directorship	Committee Membership
<b>Chairman</b> Indian Reinforcing Co (Welded Mesh) Pvt Ltd	
<b>Managing Director</b> Concord Arai Pvt Limited	
<b>Director in Private Limited Companies</b> Yekediar Farms Pvt Limited Yekediar Coconuts Pvt Limited Yekediar Estates Pvt Limited Yekediar Holdings & Properties Pvt Limited Raghurams Home Furnishings Pvt Ltd	
<b>Director in Public Limited Companies</b> Upasana Finance Limited	Audit Committee (Chairman) Investor / Shareholder Grievance Committee (Chairman)

As on date he is holding 6,400 equity shares of Re 1 each

## Ms Arundathi Krishna

Ms Arundathi Krishna aged about 39 years is the daughter of Sri Suresh Krishna, Chairman and Managing Director. She holds an MA degree in Econometrics from University of Madras ranked 2nd in graduating class and MBA from University of Michigan, USA.

She was associated with America-On-Line Netscape, San Francisco, USA. She was also associated with Pond's (India) Limited, as a Brand Manager during 1996-1997 and also with The Hindu & Business Line as a Freelance Journalist during 1994-1998. She joined SFL in 1997 as Manager - BS&S. She structured and developed Gear Shifter Assembly Project in SFL which enabled the Company to generate additional revenue. She headed a Capital Budget Project for identification and evaluation of suppliers to enhance revenue streams and to negotiate with MNC customers viz. Ford, GM and Hyundai. She was engaged in the implementation of TPM and TQM practices. She has been re-designated as Managing Director of the Company (designated as Deputy Managing Director) with effect from 30th May, 2013.

She held the position of Whole-time-Director in Upasana Engineering Ltd between 2005 and 2008 and is currently holding the position of Managing Director. She is the Chairperson of the Audit Committee of Upasana Engineering Limited.

Nature of expertise in specific functional area - Corporate strategy and General Management.

Chennai  
May 30, 2013

By Order of the Board

**V G JAGANATHAN**  
Executive Director & Secretary

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## EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

### Item No. 5

Ms Arundathi Krishna was appointed as Whole-time Director of the Company for a period of five years with effect from 18th September 2008. The appointment was approved by the Shareholders at the Annual General Meeting held on 20th August 2009.

Ms Arundathi Krishna has taken over additional responsibilities. In view of the additional responsibilities the Board of Directors vide its unanimous resolution under Section 316 of the Companies Act, 1956 adopted on 30th May 2013 has re-designated Ms Arundathi Krishna as the Deputy Managing Director of the Company with effect from 30th May 2013. Except for the above change, all other terms and conditions as approved by the shareholders vide their resolution dated 20th August 2009 shall remain unaltered till the end of the current tenure (i.e. 17th September, 2013).

The proposal as set out in the Notice is placed for consideration and approval.

Ms Arundathi Krishna, Whole-time Director is deemed to be interested since it relates to her re-designation. Sri Suresh Krishna, Chairman and Managing Director and Ms Arathi Krishna, Joint Managing Director, being the relatives of Ms Arundathi Krishna may be deemed to be interested in the resolution.

No other Director is concerned or interested in these Resolutions.

### Item No. 6

The Board of Directors vide its unanimous resolution under Section 316 of the Companies Act, 1956 adopted on 30th May 2013 appointed Ms Arundathi Krishna as Managing Director of the Company (Designated as Deputy Managing Director) for a period of five years from 18th September 2013 to 17th September 2018 on the terms and conditions including remuneration in accordance with the provisions contained in Schedule XIII to the Companies Act, 1956.

The details of the remuneration payable to Ms Arundathi Krishna as Deputy Managing Director are set out below:

- |     |                                                                                                                                                        |   |                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|-----|--------------------------------------------------------------------------------------------------------------------------------------------------------|---|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| I   | Salary                                                                                                                                                 | : | Rs 2,00,000 per month                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| II  | Commission/Performance Bonus                                                                                                                           | : | Such percentage of net profits of the Company or such other quantum of the net profits of the Company as may be approved by the Board of Directors, at its absolute discretion, for each financial year computed in the manner specified under Sections 198, 309 and 349 of the Companies Act, 1956 subject to, however, the total remuneration in any financial year shall not exceed the limits prescribed from time to time under the Companies Act, 1956. |
| III | Compensation in lieu of contribution to Superannuation Fund or any other approved fund / scheme either partly or fully up to maximum of 15% of Salary. |   |                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| IV  | Perquisites:                                                                                                                                           |   |                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|     | a)                                                                                                                                                     |   | Free use of furnished residential accommodation owned or leased by the Company with facilities and amenities including water, gas, electricity, maintenance, security, furnishings and all utilities and services.                                                                                                                                                                                                                                            |

If no accommodation is provided, Deputy Managing Director shall be entitled to house rent allowance subject to a ceiling of 60% of her salary.

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The expenditure incurred by the Company on gas, electricity, water, maintenance, security, furnishings and all utilities and services shall be valued as per Income-tax Rules, 1962.

- b) Reimbursement of medical expenses for self and family, including premium for medical insurance.
- c) Leave travel concession, once in a year, as per the rules of the Company.
- d) Payment of fees, subscription and other incidental charges to clubs.
- e) Payment of premium on personal accident insurance.
- f) Company's contribution to provident fund and pension / superannuation fund, as per the rules of the Company. Company's contribution to superannuation fund shall be subject to such variations / modifications as Ms Arundathi Krishna, Deputy Managing Director may determine including the quantum of contribution to such fund or any other approved fund or scheme.
- g) Gratuity as per the rules of the Company.
- h) Provision of car with driver.
- i) Provision of telephone at residence. Personal long-distance calls shall be charged to the Deputy Managing Director.

## V Other Benefits:

- a) Leave on full pay and allowances as per rules of the Company, but not exceeding one month's leave for every eleven months service. Leave accumulated shall be encashed at the end of the tenure.
- b) Benefits under loan and other schemes in accordance with the practices, rules and regulations in force in the Company from time to time.
- c) Such other benefits, amenities and facilities as may be provided by the Company to other senior executives from time to time.
- d) Such other benefits, amenities and facilities including those under the Special Post Retirement Benefits Scheme as per the rules of the Company.

## VI The Board may revise the remuneration payable to the Deputy Managing Director, during any financial year during currency of the present tenure of office, in such manner as agreed to between the Board of Directors and the Deputy Managing Director subject to the condition that the remuneration by way of salary, perquisites, commission, other allowances shall not exceed such percentage of net profits of the Company as prescribed under Schedule XIII to the Companies Act, 1956.

## VII Minimum remuneration:

In the event of any loss or inadequacy of profits for any financial year, the Board of Directors shall revise the remuneration payable to the Deputy Managing Director, during such financial year, in such manner as agreed to between the Board of Directors and the Deputy Managing Director and within the limits prescribed in this behalf under Schedule XIII to the Companies Act, 1956.

Ms Arundathi Krishna will not be entitled to sitting fee for each meeting of the Board or Committee thereof attended by her. She shall exercise such of the powers as may be delegated from time to time by the Board of Directors. She shall carry out such duties as may be entrusted to her by the Chairman and Managing Director from time to time.

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The proposal as set out in the Notice is placed for consideration and approval. A brief resume of Ms Arundathi Krishna is annexed to this notice.

Ms Arundathi Krishna, Deputy Managing Director, may be deemed to be interested in this Resolution since it relates to her appointment and remuneration. Sri Suresh Krishna, Chairman and Managing Director and Ms Arathi Krishna, Joint Managing Director, may also be deemed to be interested, being relatives of Ms Arundathi Krishna.

No other Director is concerned or interested in the Resolution.

Chennai  
May 30, 2013

By Order of the Board  
**V G JAGANATHAN**  
Executive Director & Secretary

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## Green Initiative in the Corporate Governance

The Ministry of Corporate Affairs has taken a 'Green Initiative in the Corporate Governance' by allowing paperless compliances by the companies and has issued circulars stating that service of notice/documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holding with the Depository through their Depository Participants. Members who hold shares in physical form are requested to register their e-mail addresses with RTA of the Company.