
NOTICE

Notice is hereby given that the 22nd Annual General Meeting (AGM) of the Members of Shakti Pumps (India) Limited will be held at the Registered Office of the Company at Plot No. 401, 402 & 413 Sector III, Industrial Area, Pithampur Dist. Dhar (M.P.) – 454774 on 27th September, 2017, Wednesday, at 12:30 P.M. to transact the following Business:

ORDINARY BUSINESS:-

1. To receive, consider and adopt the Audited Financial Statements (including audited consolidated financial Statements) for the financial year ended March 31, 2017 and the Report of the Directors and Auditors thereon.
2. To declare Dividend on Equity Shares of ₹2/- Per Equity Share of ₹10/- each of the Company for the Financial Year ended March, 31, 2017.
3. To appoint Director in place of Mr. Sunil Patidar (DIN: 02561763), who retires by rotation at this Annual General Meeting and being eligible has offered himself for re-appointment.
4. To ratify the appointment of M/s. Modi Manoj & Co. as Statutory Auditors.

"RESOLVED THAT pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Rules made thereunder, (including any statutory modification(s) or re-enactment thereof for the time being in force) and pursuant to the resolution passed by Members at the Twenty First Annual General Meeting appointing M/s. Modi Manoj & Co., Chartered Accountants, Delhi (Firm Registration No.030165N) as Statutory Auditors of the Company to hold office until the conclusion of Twenty Fifth Annual General Meeting of the Company, the Company hereby ratifies and confirms the appointment of M/s. Modi Manoj & Co. as Statutory Auditors of the Company for the financial year ending 31st March, 2018 on such remuneration as recommended by the Audit Committee and as may be mutually agreed between the Board of Directors of the Company and the Statutory Auditors."

SPECIAL BUSINESS:-

5. To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:-

Appointment of M/s. M. P. Turakhia & Associates, Cost Accountants (Firm Registration No. 000417) of the Company for the year 2017-18.

"RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, M/s. M. P. Turakhia & Associates, Cost Accountants (Firm Registration No. 000417) appointed as Cost Auditors by the Board of Directors of the Company to audit the cost records of the Company for the financial year 2017-18, be paid a remuneration of ₹55,000/- per annum plus applicable Goods & Service Tax and out of pocket expenses that may be incurred."

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

6. To consider and, if thought fit, to pass the following resolution as a Special Resolution:-

Re-appointment of Mr. Ramesh Patidar (DIN: 00931437) as the Whole Time Director of the Company for a period of 5 (Five) consecutive years, commencing from 17th October 2016 till 16th October 2021.

"RESOLVED THAT in accordance with the provisions of Sections 196, 197 and 203, read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Remuneration of Managerial

Personnel) Rules, 2014, [including any statutory modification(s) or re-enactment(s) thereof for the time being in force] consent and/or approval of the Company be and is hereby accorded to the re-appointment of Mr. Ramesh Patidar (DIN: 00931437) as Key Managerial Personnel and designated as Whole Time Director of the Company for a further period of 5 (Five) consecutive years, commencing from 17th October 2016 till 16th October 2021, liable to retire by rotation and to his receiving remuneration by way of salary, commission, perquisites and/or allowances, as Whole Time Director of the Company as recommended by the Nomination and Remuneration Committee and upon the terms, conditions and stipulations contained in the draft Agreement to be entered into between the Company of the ONE PART and Mr. Ramesh Patidar of the OTHER PART and also as set out in the Statement pursuant to Section 102 of the Companies Act, 2013, attached to the notice convening the 22nd Annual General Meeting of the Company (a draft, whereof is placed before the meeting and for the purpose of identification, is subscribed by the Chairman) which Agreement is specifically sanctioned with liberty to the Board of Directors to alter, vary and modify the terms, conditions and stipulations of the said re-appointment of Mr. Ramesh Patidar as the Whole Time Director of the Company and/or remuneration payable to him and/or agreement containing the terms and conditions as may be agreed to between the Board of Directors and Mr. Ramesh Patidar, provided, however, that the remuneration payable to Mr. Ramesh Patidar, shall not exceed the maximum limits for payment of managerial remuneration, specified in Schedule V to the said Act, or any amendment thereto as may be made from time to time or the laws or guidelines as may for the time being in force."

"RESOLVED FURTHER THAT where in any financial year, during his term of office, the Company makes no profits or its profits are inadequate, the Company may pay Mr. Ramesh Patidar minimum remuneration by way of salary, perquisites and/or allowances subject to the maximum ceiling calculated in accordance with the scale laid down in Section II of Part II of Schedule V to the said Act, as applicable to the Company at the relevant time depending upon the capital of the Company and as may be agreed to by the Board of Directors of the Company and acceptable to Mr. Ramesh Patidar, the Whole Time Director of the Company subject to necessary approval(s) as may be required."

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to do and perform all such acts, deeds,

matters and things, as may be considered necessary desirable or expedient to give effect to this resolution."

7. To consider and, if thought fit, to pass the following resolution as a Special Resolution:-

Re-appointment of **Mr. Shyam Sunder Raghuvanshi** (DIN: 02285727) as an Independent Director of the Company for a period of 3 (Three) consecutive years, commencing from 30th July 2017 to 29th July 2020.

"RESOLVED THAT Mr. Shyam Sunder Raghuvanshi (DIN: 02285727) who was appointed as Director w.e.f. July 31, 2014 for three years and is continuing as Independent Director. In order to comply with the provisions of Section 149(4), (10) & (11) and 152(6) (e) of the Companies Act, 2013 and regulation 17 of the SEBI (Listing Obligation and Disclosure Requirements) 2015, It is proposed to formally appoint Mr. Shyam Sunder Raghuvanshi to hold office for 3 (Three) consecutive years starting from 30th July 2017 to 29th July 2020. It may be noted that Mr. Shyam Sunder Raghuvanshi has given a declaration under Section 149(7) of the Companies Act, 2013 that he meets the criteria of Independence as provided in Section 149(6) of the Companies Act, 2013. Further, in the opinion of the Board also, he fulfills the conditions specified in the Companies Act, 2013 for such an appointment. It may also be mentioned that none of the other Directors (other than Mr. Shyam Sunder Raghuvanshi) /Key Managerial Personnel of the Company/ their relatives are, in any way, concerned or interested, financially or otherwise, in these resolutions."

"RESOLVED FURTHER THAT the Board of directors be and is hereby and authorized to do and perform all such acts, deeds , things and matters as may be considered necessary, desirable or expedient to give effect to this resolution."

8. To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

Appointment of **Mr. Pramod Kumar Bhavsar** (DIN:07825119) as an Independent Director of the Company for a period of 5 (Five) consecutive years, commencing from 19th May 2017 to 18th May 2022.

"RESOLVED THAT pursuant to the provisions of Section 149 and 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and Regulation 17 of SEBI (Listing Obligation and

Disclosure Requirements Regulations 2015, Mr. Pramod Kumar Bhavsar (DIN:07825119) ,who was appointed as an Additional Non-Executive Independent Director of the Company by the Board of Directors w.e.f. 19th May 2017 pursuant to provisions of Section 161 (1) of the Companies Act, 2013 and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the said Act from a member proposing his candidature for the office of Director, be and is hereby appointed as a Non-Executive Independent Director of the Company, not subject to retirement by rotation, to hold office for a term of 5 (five) consecutive years commencing from the date of his appointment as Additional Director i.e. " 19th May 2017 to 18th May 2022."

"RESOLVED FURTHER THAT the Board of directors be and is hereby and authorized to do and perform all such acts, deeds , things and matters as may be considered necessary, desirable or expedient to give effect to this resolution."

9. To consider and, if thought fit, to pass the following resolution as a Special Resolution:-

Re-appointment of Mr. Dinesh Patidar (DIN: 00549552) as the Chairman & Managing Director of the Company for a period of 3 (Three) consecutive years, commencing from 1st September, 2015 till 31st August, 2018.

"RESOLVED THAT in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, [including any statutory modification(s) or reenactment re-enactment (s) thereof for the time being in force] consent and/or approval of the Company be and is hereby accorded to the re-appointment of Mr. Dinesh Patidar (DIN: 00549552) as Key Managerial Personnel and designated as the Chairman and Managing Director of the Company, for a period of 3 (Three) consecutive years commencing from 1st September, 2015 till 31st August, 2018, liable to retire by rotation and to his receiving remuneration by way of salary, commission, perquisites and/or allowances as the Chairman and Managing Director of the Company as recommended by the Nomination and Remuneration Committee and upon the terms, conditions and stipulations contained in the draft Agreement to be entered into between the Company of the ONE PART and Mr. Dinesh Patidar of the OTHER PART and also set out in the Statement pursuant to Section 102 of the Companies Act, 2013, attached

to the notice convening the 22nd Annual General Meeting of the Company (a draft, whereof is placed before the meeting and for the purpose of identification, is subscribed by the Chairman) which Agreement is specifically sanctioned with liberty to the Board of Directors to alter, vary and modify the terms, conditions and stipulations of the said re-appointment of Mr. Dinesh Patidar as the Chairman and Managing Director of the Company and/or remuneration payable to him and/or agreement containing the terms and conditions as may be agreed to between the Board of Directors and Mr. Dinesh Patidar, provided, however, that the remuneration payable to Mr. Dinesh Patidar, shall not exceed the maximum limits for payment of managerial remuneration specified in Schedule V to the said Act or any amendment thereto as may be made from time to time or the laws or guidelines as may for the time being in force. The Remuneration of Mr. Dinesh Patidar has been approved by the members of the Company in their meeting held on 26th September 2015."

"RESOLVED FURTHER THAT where in any financial year, during his term of office, the Company makes no profits or its profits are inadequate, the Company may pay Mr. Dinesh Patidar, minimum remuneration by way of salary, perquisites and/or allowances subject to the maximum ceiling calculated in accordance with the scale laid down in Section II of Part II of Schedule V to the said Act, as applicable to the Company at the relevant time depending upon the capital of the Company and as may be agreed to by the Board of Directors of the Company and acceptable to Mr. Dinesh Patidar, the Chairman and Managing Director of the Company subject to necessary approval(s) as may be required."

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to do and perform all such acts, deeds, matters and things as may be considered necessary and desirable or expedient to give effect to this resolution."

10. To consider and, if thought fit, to pass the following resolution as a Special Resolution:-

"RESOLVED THAT pursuant to the provisions of Section 188 and all other applicable provisions if any, of the Companies Act, 2013 (the Act) and Rules made there under and subject to such approvals, consents, sanctions and permissions as may be necessary, consent of the members of the company be and is hereby accorded to the Board of Directors of the company to enter into contracts and/or agreements with parties as detailed in table forming part of the explanatory statement annexed to the notice with respect to Sale, purchase or supply of goods or materials, leasing of property of any kind, availing or rendering

of any services, appointment of agent for purchase or sale of goods, materials services or property or appointment of such parties to any office or place of profit in the company, or its subsidiary or associate company or any other transactions of whatever nature for a period of 5 years."

"FURTHER RESOLVED THAT the Board of Directors of the company be and is hereby authorised to determine the actual sums to be involved in the transaction, to increase the value of the transactions (upto 10%) and to finalize the terms and conditions including the period of transactions and all other matters arising out of or incidental to the proposed transactions

and generally to do all acts deeds and things that may be necessary proper, desirable or expedient and to execute all documents, agreements and writings as may be necessary, proper, desirable or expedient to give effect to this resolution"

For and on the behalf of the Board
Shakti Pumps (India) Limited

Place: Pithampur
Date: 28/07/2017

Ravi Patidar
Company Secretary
M. No. ACS 32328

Notes:-

1. A member entitled to attend and vote is also entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy need not be a member. Proxies in order to be effective must be received by the Company not less than 48 hours before the commencement of the meeting. Members/ Proxies should bring their attendance slip duly filled in order to attend the meeting. A person can act as proxy on behalf of members' not exceeding fifty (50) and holding in the aggregate not more than ten (10) percent of the total share capital of the Company. 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.
2. The Explanatory Statement pursuant to section 102 of the Companies Act, 2013 is annexed hereunder and forms part of the Notice.
3. Brief resume of Directors including those proposed to be re-appointed, nature of their expertise in specific functional areas, names of companies in which they hold directorships and memberships/chairmanship of Board Committees, shareholding and relationships between directors inter-se as stipulated under SEBI (LODR) Regulation 2015 are provided in the Corporate Governance Report forming part of the Annual Report.
4. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
5. The Register of Members and Share Transfer Book of the Company shall remain closed from Wednesday, September 20, 2017 to Wednesday, September 27, 2017 (both days inclusive).
6. The dividend on Equity Shares, if declared at the Meeting, will be credited / dispatched to those members whose names shall appear on the Company's Register of Members on Tuesday, 19th September, 2017; in respect of the shares held in dematerialized form, the dividend will be paid to members whose names are furnished by Central Depository Services (India) Limited & National securities depository Limited (NSDL) as beneficial owners on that date.
7. Members are requested to bring their copies of the Annual Report with them, since separate copies will not be distributed at the venue of the Annual General Meeting.
8. The shareholders are hereby informed that all the correspondence in connection with the shares is addressed to the Registrar & Share Transfer Agent M/s. Adroit Corporate Services Pvt. Ltd, 19/20, Jaferbhoy Industrial Estate, 1st Floor Makwana Road, Marol Naka Mumbai, Maharashtra -400059.
9. Members/Proxies should bring the Attendance Slip sent herewith duly filled in for attending the Meeting.
10. Members are requested to send their queries, if any, at least seven days in advance of the meeting.
11. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in Securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participant with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company/ Share Transfer Agent.
12. Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in

the Company.

13. Members holding shares in electronic form are hereby informed that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend.

The Company or its Registrars cannot act on any request received directly from the Members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the Members. Members holding shares in physical form and desirous of either registering bank particulars or changing bank particulars already registered against their respective folios for payment of dividend are requested to write to the Company.

14. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the Concerned Depository Participant and holdings should be verified.
15. Electronic copy of the Annual Report is being sent to all the members whose email IDs are registered with the Company/ Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report is being sent in the permitted mode.
16. Electronic copy of the Notice of the 22nd Annual General Meeting of the Company inter alia indicating the process and manner of E-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the 22nd Annual General Meeting of the Company inter alia indicating the process and manner of E-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.
17. Members may also note that the Notice of the 22nd Annual General Meeting and the Annual Report for 2016-17 will also be available on the Company's website at www.shaktipumps.com. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during normal business hours (11.00 A.M. to 5.00 P.M.) on all working days except Saturdays and Sundays, up to and including the date of the Annual General Meeting of the Company. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the

Company's investor email id: cs@shaktipumpsindia.com.

18. Pursuant to Section 108 of Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and Regulation 44 of SEBI LODR, 2015, the Company is pleased to provide the facility to members to exercise their right to vote on the resolutions proposed to be passed in the AGM by electronic means. The members whose names appear in the Register of Members/ List of Beneficial owners as on Tuesday 19th September, 2017 i.e. the date prior to the commencement of Book Closure, being the cut-off date, are entitled to vote on the Resolutions set forth in this Notice. Members may cast their votes on electronic voting systems from any place other than the venue of the meeting (remote e-voting). The remote e-voting will commence at 9:00 a.m. on Sunday, 24th September, 2017 and will end at 5:00 p.m. on Tuesday, 26th September, 2017. In addition, the facility of voting through electronic voting system shall also be made available at the AGM and the members attending the AGM who have not cast their vote by remote e-voting shall be eligible to vote at the AGM. The Members desiring to vote through remote e-voting are requested to refer to the detailed procedure given hereinafter.

19. E-voting

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on 24th September 2017, 9:00 a.m. and ends on 26th September 2017, 5:00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 19th September 2017, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (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 and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. In case the sequence number is less than 8 digits enter the applicable number of O'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.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. <ul style="list-style-type: none"> Please enter the DOB or Dividend Bank Details in order to login. If 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 EVSN for the relevant Shakti Pumps (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 voting done by you by clicking on "Click here to print" option on the Voting page.

(xvii) If Demat account holder has forgotten the same 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) Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- 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 should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

Other Instructions:-

- The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the company as on the cut-off date (record date) of 19th September, 2017.
- Mr. Manish Maheshwari, Proprietor M/s M. Maheshwari & Associates, Company Secretaries (Membership No. FCS: 5174, CP No. 3860) has been appointed as the Scrutinizer to scrutinize the E-voting process in a fair and transparent manner.
- The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast at the AGM and thereafter unblock the votes cast through Remote E-voting in the presence of at least two witnesses not in the employment of the Company. The Scrutinizer shall make, not later than forty eight (48) hours of conclusion of the AGM, a consolidated scrutinizer's report, of the total votes cast in favour or against, if any to the Chairman of AGM or any other person authorized by him in writing who shall countersign the same and declare the result of the voting. The results declared along with Scrutinizer's Report shall be placed on the Company's website www.shaktipumps.com and on the website of CDSL immediately after the result is declared.

For and on the behalf of the Board
Shakti Pumps (India) Limited

Ravi Patidar
Company Secretary
M. No. ACS 32328

Place: Pithampur
Date: 28/07/2017

ANNEXURE TO THE NOTICE

Explanatory Statement in respect of Special Business Pursuant to Section 102 of The Companies Act, 2013

Item No. 5

In pursuance of Section 148 of the Companies Act, 2013 and Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the Company is required to appoint a cost auditor to audit the cost records of the applicable products of the Company. On the recommendation of the Audit Committee at its meeting held on July 28, 2017, the Board has, considered and approved the appointment of **M/s. M. P. Turakhia & Associates, Cost Accountants** as the cost auditor for the financial year 2017-18 at a remuneration of ₹55,000/- per annum plus applicable Goods & Service Tax and reimbursement of out of pocket expenses.

The Board recommends this Ordinary resolution for approval of the Members.

None of the Directors/Key Managerial Personnel of the Company/their relatives are in any way, concerned or interested, financially or otherwise, in the resolution.

Item No. 6

The tenure of **Mr. Ramesh Patidar (DIN: 00931437)**, as the Whole time Director of the Company to be expired on 16th October 2016. Based on the recommendation of Nomination and Remuneration Committee, the Board at its meeting held on 25th October 2016, has re-appointed as Whole-time Director for a further period of five years commencing from 17th October, 2016 till 16th October, 2021, on the following terms and conditions, subject to the approval by the members of the Company at this AGM. The remuneration payable to Mr. Ramesh Patidar as contained in the agreement signed between Mr. Ramesh Patidar and Company is within the limits prescribed in the Companies Act, 2013 ("the Act"), A brief profile of Mr. Ramesh Patidar is included as an annexure to this Notice as per the requirements of regulation 17 SEBI (Listing obligation and disclosure requirements) Regulation, 2015.

The terms and conditions on which Mr. Ramesh Patidar is proposed to be re-appointed as Whole –time Director are as under:-

a) Term:-

The term of Whole Time Director is for a period commencing from 17th October, 2016 till 16th October, 2021.

b) Salary:-

₹2, 00,000/- (Rupees Two Lacs only) per month.

c) Perquisites:-

The perquisites shall be valued as per Income Tax Rules, 1962. For this purpose, perquisites will be as follows:-

1. **Medical Reimbursement:** The reimbursement of actual medical expenses incurred by self and family of the Whole time Director.

2. **Health Insurance:** Health Insurance premium for covering self and dependant family members of Mr. Sunil Patidar.
3. **Leave Travel Concession:** For self and family once in a year.
4. **Leave:** As per the Rules of the Company applicable to the Senior Executives.
5. **Accident Insurance:** Premium not to exceed ₹12,000/- per annum.
6. **Car:** Facility of Company Car with Driver.
7. **Education Allowances:-** Upto ₹3,00,000 per annum. (Not Part of Salary)
8. **Other Perquisites:-** Performance Incentives, Commission. (Not Part of Salary)

d) Other Benefits:-

In addition to the perquisites, the Whole time Director shall also be entitled to the following benefits, which shall not be included in the computation of ceiling on remuneration specified above:-

1. **Provident Fund:-** Company's Contribution towards Provident Fund at the rate of 12% of the salary or such rate prescribed as per Employees' provident fund and Miscellaneous Provisions Act, 1952.
2. **Superannuation Fund:-** Company's Contribution subject to a maximum of 15% of the Salary for every completed year of service.
3. **Gratuity:** As per the rules of the Company applicable to the Senior Executive.
4. **Leave Encashment:** Payable annually-in excess of 90 days.

e) Minimum Remuneration:-

Notwithstanding anything herein above stated where in any accounting year, the company incurs a loss or its profit are inadequate, the Company shall continue to pay the same remuneration as stated above as minimum remuneration but not exceeding the limit specified under Part II of section II of Schedule V of the Companies Act, 2013, or such other limits as may be approved by the Central Government from time to time as minimum remuneration.

Considering the Vast knowledge and rich business experience of Mr. Ramesh Patidar, the Board recommends the passing of said **Special resolution** in the interest of the Company.

None of the Directors, Key managerial personnel and relatives of such persons except Mr. Ramesh Patidar is, in any way, concerned or interested, finance/ally or otherwise, in the Resolution.

The Board recommends the Special Resolution set out at Item no. 6 for approval of the Members.

Item No. 7

Mr. Shyam Sunder Raghuvanshi (DIN: 02285727) who was appointed as Director w.e.f. September 1, 2005 and is continuing as Independent Director. In order to comply with the provisions of Section 149(4), (10) & (11) and 152(6) (e) of the Companies Act, 2013 and regulation 17 of SEBI (LODR) Regulations 2015, it is proposed to re-appoint Mr. Shyam Sunder Raghuvanshi to hold office for 3 (three) consecutive years from 30th July 2017 to 29th July 2020.

It may be noted that Mr. Shyam Sunder Raghuvanshi has given a declaration under Section 149(7) of the Companies Act, 2013 that he meets the criteria of Independence as provided in Section 149(6) of the Companies Act, 2013.

Further, in the opinion of the Board also, he fulfills the conditions specified in the Companies Act, 2013 for such an appointment.

It may also be mentioned that none of the other Directors (other than Mr. Shyam Sunder Raghuvanshi) /Key Managerial Personnel of the Company/ their relatives are, in any way, concerned or interested, financially or otherwise, in these resolutions.

The Board commends the Special Resolutions set out at Item No.7 of the Notice for approval by the shareholders.

Item No. 8

Mr. Pramod Kumar Bhawsar (DIN: 07825119) who has been appointed as an Additional Independent Director of the Company pursuant to the provision of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company effective from 19th May 2017 holds office upto the date of this Annual General Meeting and is eligible for appointment as an Independent Director.

Mr. Pramod Kumar Bhawsar is not disqualified from being appointed as Director in terms of Section 164 of Companies Act, 2013 and has given his consent to act as Director.

Accordingly, the Board recommends the resolution in relation to appointment of Mr. Pramod Kumar Bhawsar as Nominee Director, for the approval by the shareholders of the Company.

Except Mr. Pramod Kumar Bhawsar, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financial or otherwise, in the resolution set out at Item No. 8.

Item No. 9

During the year 2015-16, the Company has paid remuneration of ₹1,68,00,000/- to **Mr. Dinesh Patidar (DIN 00549552)**, Chairman and Managing Director of the Company which have exceeded the limit prescribed in Section II of Part II of Schedule V of the Companies Act, 2013 by ₹48,00,000/- and remuneration paid to the Managing Director has become excess purely on account of the abnormal reduction in profit due to reduction in export sales during the year 2015-16. The Company has filed the application for waiver of excess

remuneration to the Central Government for their approval.

The present tenure of Mr. Dinesh Patidar as Chairman and Managing Director of the Company expires by the efflux of time on 31st August, 2015. Mr. Dinesh Patidar, Graduated, aged about 55 years is an Industrialist and currently the Chairman and Managing Director of the Company. He is equipped with over 30 years' experience of business and pumps Industry. Having regard to the long association of Mr. Dinesh Patidar with the Company and taking into account his wide experience over 30 years and vast knowledge in Pumps Industry, the Board of Directors at its meeting held on 8th August 2015 has re-appointed Mr. Dinesh Patidar, as Chairman and Managing Director of the Company, liable to retire by rotation, for a further period of 3 (three) consecutive years commencing from 1st September, 2015 to 31st August, 2018 to continue to avail his valuable experience and expertise in the best interest of the Company.

His appointment and remuneration fixed by the Board have been recommended by the Nomination and Remuneration Committee and are in accordance with Schedule V to the Companies Act, 2013 ("the Act") and same was approved by the shareholders in their meeting held on 26th September 2015.

The Board of Directors have fixed the following remuneration as per the recommendations of the Nomination and Remuneration Committee to be paid to Mr. Dinesh Patidar, as Chairman and Managing Director of the Company during their respective periods of reappointment with power to make such variation or increase therein as may be thought fit from time to time, but within the ceiling laid down under Schedule V to the said Act, or any statutory amendment or relaxation thereof;

- a) **Term:** The term of Chairman & Managing Director is for a period commencing from 1st September, 2015 till 31st August, 2018.
- b) **Salary :** ₹14,00,000/- (Rupees Fourteen Lacs only) per month.
- c) **Perquisites:** The perquisites shall be valued as per Income Tax Rules, 1962. However the amount of perquisites shall be restricted to annual salary. For this purpose, perquisites will be as follows:-
 1. **Medical Reimbursement:** The reimbursement of actual medical expenses incurred by self and family of the Chairman & Managing Director.
 2. **Health Insurance:** Health Insurance premium for covering self and dependant family members of Mr. Dinesh Patidar.
 3. **Leave Travel Concession:** For self and family once in a year.
 4. **Club Fees:** Fees of clubs subject to the maximum of two clubs.
 5. **Credit Cards:** Entry and renewal fees to be reimbursed/ paid by Company. All expenses for official purposes to be reimbursed/ paid by the company at actual.
 6. **Leave:** As per the Rules of the Company applicable to the Senior Executives.

7. **Accident Insurance:** Premium not to exceed ₹12,000/- per annum

d) **Reimbursement of Expenses:**

Expenses incurred for travelling, board and lodging including for Mr. Dinesh Patidar's spouse and attendant(s) during business trips and provision of car(s) for use on Company's business and communication expenses at residence shall be reimbursed at actuals and not considered as perquisites.

e) **Other Benefits:**

In addition to the perquisites, the Chairman & Managing Director shall also be entitled to the following benefits, which shall not be included in the computation of ceiling on remuneration specified above:

- 1) **Provident Fund:** Company's Contribution towards Provident Fund at the rate of 12% of the salary or such rate prescribed as per Employees' provident fund and Miscellaneous Provisions Act, 1952.
- 2) **Superannuation Fund:** Company's Contribution subject to a maximum of 15% of the salary for every completed year of service.
- 3) **Gratuity:** As per the rules of the Company applicable to the Senior Executive.
- 4) **Leave Encashment:** Payable annually-in excess of 90 days.

Overall Remuneration

Subject to an overall limit of 5% of the net profit individually and 10% of the net profit collectively payable to the Chairman & Managing Director and Whole-time Director of the Company, as calculated in accordance with Section 197 and other applicable provisions read with Schedule V to the said Act, as may be for the time being in force.

Minimum Remuneration

In the event of loss or inadequacy of profits in any financial year during the currency of tenure of office of the appointees, the Company may pay them remuneration by way of consolidated salary and perquisites in accordance with the limits laid down under Section II of Part II of Schedule V to the said Act, as may be applicable at the relevant time, subject to necessary approval(s) as may be required.

The perquisites specified in Section II of Part II of Schedule V to the Act, however shall not be included in the computation of the ceiling on remuneration specified under Section II of Part II of Schedule V to the Act. The value of the perquisites for the purpose of calculating the above annual ceiling shall be evaluated as per Income Tax Rules wherever applicable otherwise at actuals.

Sitting Fee

The appointees shall not so long as they act as Chairman & Managing Director of the Company, be paid any sitting fees for attending any meeting of the Board or Committee thereof.

Termination

Notwithstanding anything contained in this Agreement, either party shall be entitled to determine this Agreement by giving three calendar months' notice in writing in that behalf to the other party and on the expiry of the period of such notice, this Agreement shall stand terminated. The Company shall also be entitled without assigning any reason whatsoever to terminate the Agreement on giving to the appointees three months' salary as specified hereinabove under the head Remuneration, in lieu of three calendar months' notice required to be given under this clause.

Service of Notice

Any notice to be given hereunder shall be sufficiently given or served in case of the appointees by being delivered either personally to them or left for them at their addresses last known to the Company or sent by registered post addressed to them at such address and in the case of the Company by being delivered at or sent by registered post addressed to its Registered Office; any such notice if so posted shall be deemed served on the day following that on which it was posted. In terms of requirements under Schedule V to the Companies Act 2013, the Company requires to seek members' approval by a special resolution for minimum remuneration payable to the respective appointees in the scale laid down in Section II of Part II of Schedule V to the Act. In the event of loss or inadequate profits, the Company will obtain approval of Central Government for continuing the payment of Remuneration to the aforesaid appointees.

Memorandum of Interest

None of the Directors, Key managerial personnel and relatives of such persons except Mr. Dinesh Patidar and Mr. Sunil Patidar is, in any way, concerned or interested, financial or otherwise, in the aforesaid Resolution. The Board accordingly recommends the Resolutions set out in item Nos. 9 of the accompanying Notice for members' approval by way of Special Resolution.

Inspection of documents

The draft of the proposed Agreements to be entered into between the Company and the appointees are available for inspection by the Members of the Company at its Registered Office, on any working day prior to the date of the meeting during 2.00 p.m to 4.00 p.m and will also be available at the meeting.

Abstract of Terms and Conditions

This should be treated as an abstract of the terms of appointment and memorandum of interest of the respective appointees as required under Section 190 of the Act. In terms of the Schedule V of the Companies Act, 2013 the following information is given to the shareholders:

I. General Information:		For Members holding shares in Demat Form and Physical Form
1. Nature of Industry		Manufacturing of Submersible Pumps and Motors
2. Date commencement of commercial production		1995

Item No. 10

The Company is engaged in the business of manufacturing, selling, distribution and marketing of pumps and motors.

The Company, in the Ordinary course of its business enters into various transactions, contracts, arrangements which are at arm's length basis with various affiliates ["Related Party" as per the provisions of the Companies Act, 2013 (the Act) and Regulation 2 (1) (zb) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the SEBI Regulations)].

The Transaction with related parties inter-alia includes sale, purchase, leasing of properties, availing or rendering of services, reimbursement of expenses, lease rent payments, lending or borrowing of monies (as may be permissible under the provisions of the Act), etc., which are entered into, in the ordinary course of business, are at arms' length basis and in the best interest of the Company.

Considering the future business projections, the Company envisages the transactions with related parties may exceed the materiality threshold of 10% of the annual turnover of the Company. Thus, in terms of explanations (i) of Regulation 23 of the SEBI Regulations, by way of abundant caution, approval of the shareholders is being sought.

The disclosure as required under the Rule 15 of the Companies (Meeting of Board and its Power) Rules, 2014 are as under:

S. No.	Name of the Related Party	Nature of Relationship	Nature of transaction	Value of Transaction
1	Shakti Pumps LLC, USA	Wholly owned Subsidiary	Sale of Pump & Motors	₹60.00 Crores
2	Shakti Pumps FZE , UAE	Wholly owned Subsidiary	Sale of Pump & Motors	₹30.00 Crores
3	Shakti Pumps Pty Ltd. Australia	Wholly owned Subsidiary	Sale of Pump & Motors	₹2.00 Crores
4	Shakti Irrigation India Limited	Enterprise over Which Key management are able to exercise significant influence	Purchase of Components, Drip Irrigation Pipes, And Pipes	₹25.00 Crores
5	Vintex Tools Private Limited	Enterprise over Which Key management are able to exercise significant influence	Purchase of Dies	₹20.00 Crores
6	Shakti Energy Solutions Private Limited	Enterprise over Which Key management are able to exercise significant influence	Purchase of Solar System	₹6.00 Crores
7	Arsh Industrial Solutions Private Limited	Enterprise over Which Key management are able to exercise significant influence	Purchase of Nuts & Bolts	₹1.00 Crore

The Annual value of the transactions proposed is estimated on the basis of the Company's current transactions and future business projections.

The Audit Committee and the Board, at their meetings held on 28th July 2017, considered and approved the aforesaid transactions. The Board is of the opinion that the above transaction shall be in the best interest of the Company.

Except as mentioned in Notes to Accounts in Balance sheet (Accounting Standard 18) none of the Director, Key Managerial Personnel or their respective relatives are in any way concerned or interested, financially or otherwise, in this Resolution. Except Mr. Dinesh Patidar and Mr. Sunil Patidar.

The Board recommends the Special Resolutions as set out at Item No. 10 of the Notice for approval by the shareholders.

For and on the behalf of the Board
Shakti Pumps (India) Limited

Place : Pithampur
Date : 28 / 07 / 2017

Ravi Patidar Proprietor
Company Secretary
M. No. ACS32328

3. Financial performance based on given indicators.

(₹ in lacs)

5. Financial performance based on given indicators:				
Year ending 31 st March	Sales	Operating Profit	Profit before Tax	Profit After Tax
2013	21033.53	3337.83	2119.37	1844.60
2014	29655.23	4828.48	3569.87	2572.02
2015	29852.31	4818.51	3502.08	2572.02
2016	26384.79	1743.45	342.85	197.51
2017	40492.85	4728.90	3132.90	2132.16
4. Export performance	Year		FOB Value of Export	
	2014-15		₹1,56,43,40,080	
	2015-16		₹1,12,36,94,485	
	2016-17		₹97,95,74,909	
5. Foreign investments or collaborators, if any	Company has three foreign wholly owned Subsidiary namely:-			
	a) Shakti Pumps USA, LLC			
	b) Shakti Pumps FZE, UAE			
	c) Shakti Pumps Pty Ltd, Australia			

II. Information about the appointee:

Background details	He is an Industrialist and currently the Chairman and Managing Director of the Company. He is a graduate and has over 30 years of experience in business of Submersible Pumps and Motors.	
Past remuneration	The remuneration drawn by Mr. Dinesh Patidar during the past two years is as follows:	
(b) Past remuneration	Year	₹
	2014-15	1.68 Crs.
	2015-16	1.68 Crs
c) Recognition or awards	The appointee takes interest in the social and cultural activities.	
d) Job Profile and Suitability	Mr. Dinesh Patidar is Chairman and Managing Director of the Company. Devotes his whole time and attention to the business and management of affairs of the Company and carries out such duties as entrusted to him by the Board and exercises such powers as assigned to him from time to time by the Board subject to superintendence control and direction of the Board in connection with and in the best interest of the Company including the business of its associates and/or its subsidiaries. He is one of the Promoters of the Company. His job profile centers around to provide vision, guidance and direction for long term growth of the Company.	
e) Remuneration Proposed	It is proposed to pay consolidated remuneration to Mr. Dinesh Patidar upto ₹1.68 Crores per annum (Rupees One Crores Sixty Eight Lakhs) per annum by way of Salary and perquisites, performance based rewards/ incentives etc.	
f) Comparative Remuneration Profile with respect to Industry, Size of Company, Profile of the position and person.	Considering the responsibility shouldered by him of the enhanced business activities of the Company, proposed remuneration is commensurate with Industry standards and Board level positions held in similar sized and similar positioned businesses.	
g) Pecuniary relationship directly or indirectly with the company or relationship with the Managerial Personnel, if any.	Except salary and perquisites to be received from the Company by the appointee including their relatives and to receive dividend declared by the Company, if any, including amounts disclosed in the Annual Report under the related party transactions, Mr. Dinesh Patidar do not have any pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel of the Company.	

III. Other Information:	
a) Reason of Loss or Inadequate profits	(a) Reduction in Revenue is primarily due to the following: (i) Reduction in export sales during the year 2015-16 was due to slackness in International Market
b) Steps taken or proposed to be taken for improvement.	Following steps taken by the Company for improvement: (i) Shakti widened its exclusive dealer network, increased the offtake of Solar Pumps and DC pumps. (ii) Reinforced its Marketing Team, strengthened ties with Retailers and Restructured the Company to enhance overall competitiveness. (iii) Shakti targeted the African Market with renewed enthusiasm. (iv) All around reduction in cost and better product mix to achieve higher realizations.
c) Expected increase in productivity and profit in measurable terms	Initiatives involving product development, introduction of value added products and such other steps are being taken to improve the overall productivity and to achieve profitability of the Company.

Information pursuant to 1.25 of the Secretarial Standards on General Meetings (SS-2) regarding Director seeking appointment/ Re-appointment:

Mr. Dinesh Patidar

III. Other Information:	
Age	55 years
Qualifications	Graduate
Experience	30 years
Terms And Conditions of appointment or re-appointment	(i) Tenure of this appointment shall be three years with effect from 1 st September 2015 to 31 st August 2018. (ii) The Managing Director of the Company is the whole time Director of the Company and shall not be liable to retire by rotation. The Managing Director would be employed on a whole time basis and will not be permitted to undertake any other business, work or public office, honorary or remunerative, except with the written permission of the Competent Authority in each case. (iii) The Managing Director shall be entitled to such other privileges, allowance, facilities and amenities in accordance with rules and regulations as may be applicable to other employees of the Company and as may be decided by the Board, within the overall limits prescribed under the Act. (iv) Managing Director will cease to be Director on cessation of his employment with the Company. (v) The appointment shall be governed by section 196, 197, 203 read with Schedule V of the Companies Act, 2013 and rules made thereunder. (vi) The separation from this engagement could be effected by either side giving three month's notice.
Last drawn remuneration	Rs.1.44 Crores per annum
Date of first appointment on the Board	April 21, 1995
No. of shares held	3521488 shares
Relationship with Directors, Managers & KMP	Brother of Mr. Sunil Patidar (Whole-Time Director)
Number of Board Meetings Attended during the year	5 (Five)
Other Directorships	(i) Shakti Irrigation India Limited. (ii) SPIL Energy Limited
Chairman/ Member of the Committees of the Boards of other Companies	N.A.

Details of Directors seeking appointment/re-appointment at the forthcoming Annual General Meeting:-

Name of Directors	Mr. Dinesh Patidar	Mr. Ramesh Patidar	Mr. Sunil Patidar	Mr. Shyam Sunder Raghuvanshi	Mr. Pramod Kumar Bhavsar
Date of Birth	March 25, 1962	January 25, 1973	July 13,1969	December 21, 1935	June 27,1953
Expertise in specific functional areas	Experience over 3 decades in the field of Manufacturing & Selling Stainless Steel Pumps	International Business	Human resources Management and Industrial Relations	Completed major water supply projects- Indore, Ujjain, Gwalior and Jabalpur	Forex Business, Restructuring of Accounts including handling of CDR, Effective participation in consortium meetings, Statutory and RBI audit and Credit Audit.
Date of appointment	January 30 , 2006	October 17, 2006	April 21, 1995	September 1, 2005	May 19, 2017
No. of Equity Share held in the Company	3521488 Equity Shares	76848 Equity Shares	1562200 Equity Shares	Nil	Nil
disclosure of relationships between directors inter-se	Brother of Mr. Sunil Patidar (Whole Time Director)	Nil	Brother of Mr. Dinesh Patidar (Chairman and Managing Director)	NIL	Nil
Qualification	Graduate	M.B.A.	Graduate	B.E. (Hons) Civil Engineering	B.Sc. (University of Indore), CAIIB Pt.-I.(Indian Institute of Bankers)
List of outside Directorship held in Public Company	1. Shakti Irrigation India Limited 2.SPIL ENERGY LIMITED	Nil	1.Shakti Irrigation India Limited	Nil	Nil
Chairman/Member of the Committee of the Board of Directors of the Company	Member of Audit Committee	Nil	Nil	Member of Audit Committee, Nomination and remuneration Committee, Stakeholder Relationship Committee, and Chairman of CSR Committee	Nil
Chairman/Member of the Committee of the Board of Directors of other Companies	Nil	Nil	Nil	Nil	Nil