



Shakti Pumps (India) Limited

CIN: L29120MP1995PLC009327

Plot No. 401, 402, 413, Sector III, Industrial Area, Pithampur Dist. Dhar- M.P.-454774.

Tel:- 07292 410552 | Fax:- 07292 410519 | Email:-cs@shaktipumpsindia.com

Notice

Notice is hereby given that the 21st 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 - 454774 on 27th September, 2016, Tuesday, at 11.30 A.M. to transact the following business:-

Ordinary Business

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2016 including Audited Balance Sheet as at 31st March 2016 and the Statement of Profit & Loss Account for the year ended on that date and the reports of the Board of Directors and Auditors thereon.
2. To declare Dividend on Equity Shares of ₹1.5/- Per Equity Share of ₹10/- each of the Company for the Financial Year ended March, 31, 2016.
3. To appoint Director in place of Mr. Ramesh Patidar (DIN:00931437), who retires by rotation at this Annual General Meeting and being eligible has offered himself for re-appointment.
4. 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, 141 and 142 and all other applicable provisions of Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the company be and hereby appoints M/s. Modi Manoj & Co. (Firm Registration No. 030165N) as Statutory Auditors of the Company to hold office from the conclusion of this 21st Annual General Meeting till the conclusion of the 25th Annual General Meeting of the Company, on such remuneration as may be agreed upon between the Board of Directors or any Committee

thereof and the Statutory Auditors, in addition to the reimbursement of service tax and actual out of pocket expenses incurred in relation with the audit of accounts of the Company.

Special Business

5. 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 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 2016-17, be paid a remuneration of ₹50,000/ per annum plus applicable 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 with or without modification(s), the following resolution as a Special Resolution:-

"RESOLVED THAT pursuant to the provision of sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the rules made there under

(including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013, approval be and is hereby granted to the re-appointment of Mr. Sunil Patidar (DIN: 02561763), as the Whole time Director of the Company, for a period of Five years from 29th January 2016 till 28th January, 2021, and for the payment of his remuneration, perquisites, and benefit arising out of such re-appointment on the terms and conditions as contained in the agreement entered into between the Company and Mr. Sunil Patidar, the material terms of which are set out in the Explanatory Statement to this notice, and which agreement is submitted to this meeting for its approval.

FURTHER RESOLVED THAT the Board 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 the aforesaid Resolution, including the alteration and variation in the terms and conditions of the said re-appointment and/or agreement so not to exceed the limits specified in schedule V to the Companies Act, 2013, or any amendment thereto as may be agreed between the Board of Directors and Mr. Sunil Patidar”.

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

“RESOLVED THAT subject to the approval of Central Government and pursuant to section 197(10) of the Companies Act, 2013 and other applicable provisions of the Act Read with the Companies (Appointment and Remuneration of Managerial Personnel) rules 2014 and all other guidelines for managerial remuneration issued by the Central Government from time to time and such other consents and approvals as may be deemed necessary, the consent of the members be and is hereby accorded to waive the recovery of excess remuneration of ₹48,00,000/- paid to Mr. Dinesh Patidar Chairman &

Managing Director (DIN 00549552) of the Company for Financial Year 2015-16 as per the terms of remuneration approved by the members of the Company by ordinary resolution at Annual General Meeting held on 26th September 2015.

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

“RESOLVED THAT pursuant to provision of Securities Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (“SEBI ICDR Regulations”) and / or the Listing Agreements entered into by the Company with the Stock Exchanges on which the Company’s shares are listed, in connection with issuance of 15,00,000 (Fifteen Lakhs) Compulsory Convertible Preference Shares (“CCPS”) on a preferential basis to AFHoldings the members of the Company have approved 20.09.2014 (Saturday) as relevant date for the purpose of calculation of price as per the provision of Securities Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 relevant date should not be on holiday, Consent of the member of the Company be and are hereby granted for change in relevant date to 19.09.2014 from 20.09.2014 as the 20.09.2014 being Saturday and relevant date cannot be on a holiday. This pertains to the issuance of 1500000 Compulsory Convertible Preference Shares to AFHoldings.

For and on the behalf of the Board

For **Shakti Pumps (India) Limited**

Place: Pithampur

Date: 26/07/2016

R. Shadananan

Company Secretary

M. No. ACS 39143

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 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 clause 49 of the Listing Agreement with the Stock Exchanges, and 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 Tuesday, September 20, 2016 to Tuesday, September 27, 2016 (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 19th September, 2016; 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 be 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 21st 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 21st 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 21st Annual General Meeting and the Annual Report for 2015-16 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 request to the Company's investor email id: cs@shaktipumpsindia.com.

18. E-voting

The instructions for shareholders voting electronically are as under:-

- (i) The voting period begins on 24th September 2016, 9.00 a.m. and ends on 26th 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 (record date) of 20th 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.
- (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	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN Field. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN Field.
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

- (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 a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xvii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Shareholders can also cast their vote using CDSL's

mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.

- (xix) Note for Non – Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

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, 2016.
- 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

For **Shakti Pumps (India) Limited**

Place: Pithampur

Date: 26/07/2016

R. Shadananan

Company Secretary

M. No. ACS 39143

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 May 30, 2016, 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 2016-17 at a remuneration of ₹50,000/- per annum plus applicable 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. Sunil Patidar, as the Whole time Director of the Company to be expired on 29th January 2016. Based on the recommendation of Nomination and Remuneration Committee, the Board at its meeting held on 12th February 2016, has re-appointed as Whole-time Director for a further period of five years commencing from 29th January, 2016 till 28th January, 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. Sunil Patidar as contained in the agreement signed between Mr. Sunil Patidar and Company is within the limits prescribed in the Companies Act, 2013 ("the Act"), A brief profile of Mr. Sunil 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. Sunil 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 29th January, 2016 till 28th January, 2021.

b) Salary:

₹1,00,000/- (Rupees One lacs only) per month.

Perquisites:

The perquisites shall be valued as per Income Tax Rules, 1962. The following benefits and perquisites allowances as may be determined by the Board from time to time over and above the Salary. For this purpose, perquisites will be as follows:-

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

c) 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.

d) Minimum Remuneration:

Notwithstanding anything herein above stated where in any accounting year, the company incurs a loss or its profit are in adequate, 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. Sunil 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. Sunil Patidar and Mr. Dinesh Patidar is, in any way, concerned or interested, financially or otherwise, in the Resolution. Mr. Sunil Patidar is a Brother of Mr. Dinesh Patidar Managing Director of the Company.

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

Item No. 7

During the year 2015-16 company has paid remuneration of ₹1,68,00,000/- to Mr. Dinesh Patidar Managing Director of the Company which have exceeded the limits prescribed in Section II part II of Schedule V read with Section 197, and other applicable provisions of the Companies Act, 2013 by ₹48,00,000/-.

However Remuneration paid to the Managing Director has become excess purely on account of the abnormal reduction in profit due to drastic reduction in export Sales during the year.

Mr. Dinesh Patidar is associated with this Company for the last thirty years and as a matter of fact he is the spirit behind this organization and with his hard work and dedication only this company has become one of the leading pump manufacturers in the world.

Considering the above facts and the vast experience of three decades he is having in this field and comparing the salary of other persons of similar position in the same industry, salary paid to Mr. Dinesh Patidar is quite reasonable even in this adverse period. Accord your approval for waiving of recovery of the excess amount paid to Mr. Dinesh Patidar Managing Director (DIN 00549552) ₹48,00,000/- for Financial 2015-16 subject to Central Government approval for which application has to be filed.

None of the Directors, Key managerial personnel and relatives of such persons except Mr. Sunil Patidar and Mr. Dinesh Patidar is, in any way, concerned or interested, financially or otherwise, in the Resolution. Mr. Dinesh Patidar Managing Director, is a Brother of Mr. Sunil Patidar Whole time Director of the Company.

The Board recommends the Special Resolution set out at Item no. 8 for approval of the Members.

Item No.8

As per the provision of Securities Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("SEBI ICDR Regulations"), the members of Company have approved by way of Special resolution at Extra Ordinary General Meeting held on 20th October 2014 the issuance of 15,00,000 (Fifteen Lakhs) Compulsory Convertible Preference Shares ("CCPS") on a preferential basis to AFHoldings and the members of Company also approved

the relevant date for the determination of issue price of CCPS which has to be 30 days prior to the date of Extra Ordinary General. Therefore the relevant date 20th September 2014 was approved by the Members at the Extra Ordinary General Meeting.

The Relevant date which have been decided by Members being Saturday and as per the guidelines of Securities Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 Saturday being holiday, and the relevant date should not be on holiday.

Considering the above facts the Company has decided to change its relevant date from 20th September 2014 to 19th September 2014.

None of the Directors, Key managerial personnel and relatives of such persons except Mr. Sridhar Narayan is, in

any way, concerned or interested, financially or otherwise, in the Resolution.

The Board recommends the Ordinary Resolution set out at Item no. 7 for approval of the Members.

As the issue price CCPS continues to be higher than the cut-off price based on revised relevant date.

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

Place: Pithampur
Date: 26/07/2016

R. Shadananan
Company Secretary
M. No. ACS 39143

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

Name of Directors	Mr. Ramesh Patidar	Mr. Sunil Patidar
Date of Birth	January 25, 1973	July 13, 1969
Expertise in specific functional areas	International Business	Human resources Management and Industrial Relations
Date of appointment	17.10.2006	21.04.1995
No. of Equity Share held in the Company	76848 Shares	156200 Shares
Disclosure of relationships between directors inter-se	Nil	Brother of Mr. Dinesh Patidar (Chairman and Managing Director)
Qualification	M.B.A.	Graduate
List of outside Directorship held in Public Company	Nil	Shakti Irrigation India Limited
Chairman/Member of the Committee of the Board of Directors of the Company	Nil	Nil
Chairman/Member of the Committee of the Board of Directors of other Companies	Nil	Nil