

MINUTES OF THE TWENTY FIRST ANNUAL GENERAL MEETING OF SHIMOGA TECHNOLOGIES LIMITED HELD ON MONDAY, 24<sup>TH</sup> SEPTEMBER, 2012 AT 11.00 A.M. AT 'SOUNDARYA HALL', MALLESHWARAM ASSOCIATION, NO. 110, 7<sup>TH</sup> CROSS, MALLESWARAM, BANGALORE 560 003.

**Present :** 1. Sri. Suresh Shastry, Chairman  
2. Sri. G.Ananda, Director  
3. Sri. S. Lakshmi Narayana Murthy, Director

Number of Members present in person - 50

**Also Present :** Sri. Shirish Shah, Auditor

The Chairman welcomed the members present to the 21<sup>st</sup> Annual General Meeting of the Company. The requisite quorum being present, he called the meeting to order.

The Chairman introduced the gentlemen seated on the dais. The Chairman informed that the Register of Directors and their shareholding maintained under Section 307 of the Companies Act, 1956, is placed on the table and kept open and accessible to the members throughout the meeting pursuant to provisions of Section 307(3) of the Companies Act, 1956.

The Company Secretary then read the Notice of the Meeting and the Auditors Report. The Annexure to the Auditors' Report was taken as read with the consent of the members present.

The Chairman then addressed the members. In his address, the Chairman briefed the members about the progress made towards revival of the Company. He informed the members that during the intervening period since the last Annual General Meeting, IDBI Bank, the Operating Agency appointed by the Hon. BIFR, visited the manufacturing facility of the Company, studied the viability of the project in depth and on 14<sup>th</sup> August, 2012 submitted a fully tied up Draft Rehabilitation Scheme ( DRS ) before the Hon. BIFR for their consideration and further directions. He further brought to the notice of members, the salient features of the DRS, a) Reduction of the Paid Up Capital of the Company from the present Rs.4.32 Crores to Rs. 43.20 Lakhs, representing reduction of 90% of the Paid Up Capital of the Company, by way of cancellation of proportionate number of shares, which is un represented by available assets, b) Merging Smiths & Founders (India) Limited with the Company by way of allotment of 5 Equity Shares of the Company against every 2 Shares of Smiths & Founders (India) Limited and c) Changing the name of the Company from Shimoga Technologies Limited to Smiths & Founders ( India ) Limited.

He re-called that the members have already given their consent for the above reforms in the Annual General Meeting held on 30.09.2010. The Chairman also informed that the next hearing of the Hon. BIFR is scheduled on 15<sup>th</sup> October,2012 and hoped that the Hon. BIFR would approve the Rehabilitation Scheme before the end of this Financial Year and the Company would re-start its business soon after that. He commended the Shareholders for this success.



The Chairman then briefed the members on the outlook of the forging industry in general and automobile sector in particular, which continues to remain the Company's major customer. The automobile sector in India has slowed down in the current year mainly due to sluggish economy of some of the developed countries. Due to the various beneficial factors like availability of skilled labor and good quality raw material, many foreign Original Equipment Manufacturers are setting up their component shops in India. The domestic auto majors are also constantly modifying their existing products or introducing new variants with the main objective of making their products more user friendly, road worthy and fuel efficient. These factors assure a steady market for the forging units having good track record. He also highlighted the challenges faced by Forging Industry like : High rate of attrition, Volatility of prices of inputs, High interest rates, Need to comply with strict environment guidelines and the Need to upgrade the technology involving more capital investment. He added that Smiths & Founders (India) Ltd., the proposed amalgamating Company is financially strong and has both expertise and skill to manage such situations in a prudent manner and expressed confidence about the post merger prospect of the Company.

Thereafter, the Chairman took up the business mentioned in the notice:

**Ordinary Business:**

**Item No.1 : Adoption of Accounts for the year ended 31<sup>ST</sup> March, 2012.**

The Chairman invited queries on the accounts. Though no specific query on accounts was raised, some of the members sought clarification on:

- a) Change of name of the amalgamating Company.
- b) The Reserves of the Company is in the negative as against Share Capital.  
How the gap will be closed.
- c) Why the Swap Ratio is 5:2 and not lower than that.
- d) Why post amalgamation the name of the Company is being changed.
- e) Will there be any change in composition of Directors post amalgamation.

The Chairman clarified as follows:

1. The Company which has come forward for amalgamating itself with the Company ( Bhagavathi Enterprises Limited ) is the same Company which made the proposal in the previous year. However, its name has since been changed from Bhagavathi Enterprises Limited to Smiths & Founders ( India ) Limited with effect from 16<sup>th</sup> May, 2011.
2. The gap will be reduced by a) reduction of capital by reducing the existing Paid Up Capital from Rs.4,32,00,000/- to Rs.43,20,000/- by canceling Rs.3,88,80,000/- of the Paid Up Capital. b) The balance gap will be closed by the reserves and surplus of the Amalgamating Company.
3. The Swap Ratio has been fixed by the Auditors of the Company after valuation of both the Amalgamating Companies.
4. The prefix 'Sick' to any Company is a stigma, which will carry on forever. As the Company is being given a fresh lease of life and to honour one of the



conditions put by the Amalgamating Company, it is proposed to carry on the business in the name of the Healthier Company, after amalgamation.

5. Post amalgamation three Directors of the amalgamating Company will be inducted on the Board of the Company and the strength of the Board will go up from 3 to 6.

The Chairman thanked the members for taking keen interest in the affairs of the Company.

Sri. Suresh Shastry (DP/Client ID: IN30113526807500) proposed the following resolution as an ORDINARY RESOLUTION:

" RESOLVED THAT the Audited Balance Sheet as at 31<sup>st</sup> March, 2012 and the Statement of Profit & Loss Account for the year ended on that date, together with the Directors' and Auditors' Report thereon be and are hereby received, considered and adopted".

Sri. G. Sagare (DP/Client ID: IN30135620021069) seconded the resolution.

The resolution was then put to vote and was passed unanimously by show of hands.

**Item No. 2 : Re-appointment of Sri. Suresh Shastry as Director.**

Sri. S.G.Manohar Rao (DP/Client ID: IN30135620020791) proposed the following resolution as an ORDINARY RESOLUTION:

" RESOLVED THAT Sri. Suresh Shastry, who retires by rotation at the conclusion of this Annual General Meeting and being eligible offers himself for re-appointment, be and is hereby appointed as Director of the Company liable to retirement by rotation".

Sri. H.B.Nagaraj ( Folio No.: H0012785 ) seconded the resolution. The resolution was then put to vote and was passed unanimously by show of hands.

**Item No. 3 : Appointment of Auditors in place of retiring auditors.**

Sri. Suresh Shastry (DP/Client ID: IN30113526807500) proposed the following resolution as an ORDINARY RESOLUTION:

" RESOLVED THAT M/s. Naik & Shah, Chartered Accountants, Bangalore be and are hereby appointed as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until conclusion of the next Annual General Meeting at a remuneration as may be fixed by the Board of Directors".

Sri. N.R.Chandrashekarappa (DP/ClientID:IN30113526613466) seconded the resolution. The resolution was then put to vote and was passed unanimously by show of hands.





Item No. 4 : To extend the lease period of the Plant and Machinery of the Company to M/s. Smiths & Founders ( India ) Limited for a further period not exceeding 3 years w.e.f. 01.04.2012 or sanction of rehabilitation scheme by Hon. BIFR, whichever is earlier.

Sri. Suresh Shastry (DP/Client ID: IN30113526807500) proposed the following resolution as an ORDINARY RESOLUTION:

" RESOLVED THAT consent of the Company be and is hereby accorded, pursuant to the provisions of Section 293(1)(a) and other applicable provisions, if any, of the Companies Act, 1956, to the Board of Directors of the Company to extend the lease period of the Plant and Machinery, both present and future, belonging to the Company, to M/s. Smiths & Founders (India) Limited, Bangalore, (erstwhile M/s. Bhagavathi Enterprises Limited) for a further period not exceeding 3 years with effect from 01.04.2012 or sanction of the Rehabilitation Scheme of the Company, which inter alia envisages amalgamation of M/s. Smiths & Founders (India) Limited with the Company, by the Hon'ble Board for Industrial and Financial Reconstruction, whichever is earlier."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds and things and to sign all such documents as may be necessary, expedient and incidental thereto to give effect to this resolution."

Sri. Vasanth Kumar ( Folio No.V0012772 ) seconded the resolution. The resolution was then put to vote and was passed unanimously by show of hands.

**VOTE OF THANKS:**

The Company Secretary proposed vote of thanks to the Chairman and on behalf of the Board of Directors thanked the members present for making it convenient to attend this meeting.

The Chairman then declared the meeting closed.



**CHAIRMAN**

Bangalore  
Date: 28.09.2012

