

**MINUTES OF THE TWENTIETH ANNUAL GENERAL MEETING OF
SHIMOGA TECHNOLOGIES LIMITED HELD ON THURSDAY, 29TH
SEPTEMBER, 2011 AT 10.00 A.M. AT MEWS LADIES CLUB, NO.37, 17TH
CROSS (BETWEEN 4TH AND 6TH MAIN) MALLESWARAM, BANGALORE
560 055.**

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

Number of members present in person - 64

Also Present : 1. Sri. Raghavendra Naik, Auditor
2. Sri. Shirish, Auditor

The Chairman welcomed the members present to the 20th 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. The Auditors Report and 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 operations of the Company. He re-called that in the previous Annual General Meeting the members have approved a) 90% reduction of Paid Up Capital of the Company and b) Amalgamation of M/s. Smiths & Founders (India) Ltd. (erstwhile Bhagavathi Enterprises Ltd.) with the Company.

The Chairman informed that in line with the decision of the members and as per the recommendations of the Statutory Auditors of the Company, the Board of Directors have prepared a Draft Rehabilitation Scheme (DRS) and have submitted it to Board for Industrial and Financial Reconstruction (BIFR). BIFR, in turn has appointed IDBI as the Operating Agency to review the Scheme. The Scheme is being appraised by IDBI now.

The Chairman described the highlights of DRS as below:

- a) Reduction of the paid up capital of the Company from present Rs. 4.32 Crores to Rs. 43.20 Lakhs, representing reduction of 90% of the paid up capital.
- b) Merger of Smiths & Founders (India) Ltd. (erstwhile Bhagavathi Enterprises Ltd.) with the Company.



- c) Consequent upon merger, allotment of Company's equity shares to shareholders of Smiths & Founders (India) Ltd. in the ratio of 5:2. (i.e. 5 fully paid up Equity shares of Re.1/- of the Company for every 2 fully paid up Equity shares of Re.1/- of Smiths & Founders (India) Ltd.)
- d) Change of name of the Company from Shimoga Technologies Ltd. to Smiths & Founders (India) Ltd.

The Chairman assured the members that the DRS has been prepared keeping in mind the interests of the members of both the Companies.

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. Though the automobile sector in India currently is sluggish, forging industry will not be affected due to many Foreign OEMs setting up their component shops in India. The domestic auto majors are also constantly modifying their existing products or introducing new versions. This is bound to keep the forging industry busy. He added that the manufacturing facilities of the Company added with expertise and skill of management of Smiths & Founders (India) Ltd., the Company is poised to take off once again on the hope that the Scheme of Rehabilitation is approved by BIFR at the earliest and the Company is able to give a reasonable return on shareholders investment.

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

Ordinary Business:

Item No.1:

ADOPTION OF ACCOUNTS FOR THE YEAR ENDED 31ST MARCH,2011.

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

- a) the consequences and benefits arising to the members out of the proposal for reduction of paid up share capital by 90% ,
- b) the amount of current Debts,
- c) the ownership of the factory land at Shimoga and its valuation and
- d) Number of workers employed.

The Chairman clarified as follows:

1.Consequences of and benefits from reduction of Paid Up Capital :

The reduction of capital is, reduction of existing Paid Up Capital of Rs.4,32,00,000/- to Rs.43,20,000/- by canceling Rs.3,88,80,000/- of the Paid Up Capital. This is being done since it is the Shareholders of the Company who have to absorb the loss and the Company cannot expect new investors to absorb the loss as accumulated losses in the Company will deter them from making investments in the Company.



The benefit of the capital reduction will be turning the Net Worth from negative to positive, which would easily attract a prospective investor.

2. Background of Smiths & Founders (India) Ltd. (the Amalgamating Company)

As per the approval given by the members in the Annual General Meeting held on 30th September, 2010 the Company is proposing amalgamation of Smiths & Founders (India) Ltd. with itself. The Amalgamating Company is a profit making Public Limited unlisted Company established in 1997. With a capital base of Rs.3.90 Crores, the Company is into manufacture of cylinder liners catering primarily to the automobile sector, both domestic and overseas.

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 31st March, 2011 and the 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. S.V.Raghavendra (DP/Client ID: IN30044110488591) seconded the resolution. The resolution was then put to vote and was passed unanimously by show of hands.

Item No.2:

RE-APPOINTMENT OF MR. S. LAKSHMI NARAYANA MURTHY AS DIRECTOR.

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

“ RESOLVED THAT Sri. S. Lakshmi Narayana Murthy, 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”.

Smt.Vani (DP/Client ID: IN30131320415886) 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



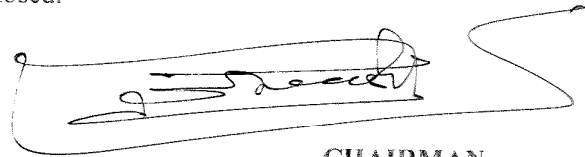
conclusion of this Annual General Meeting until conclusion of the next Annual General Meeting at a remuneration as may be fixed by the Board of Directors ”.

Sri. Chandrashekhar (DP/Client ID: IN30135620027514) 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

Date: 12.10.2011

