

MINUTES OF ANNUAL GENERAL MEETING OF MEMBERS OF BHARAT GEARS LIMITED HELD ON WEDNESDAY, THE 31ST JULY, 2013 AT 11.30 A.M. AT HUDA CONVENTION CENTRE, SECTOR-12, FARIDABAD-121007 (HARYANA)

PRESENT:

MEMBERS:

IN PERSON : 1448 (including 4 Corporate Members)
(As per Attendance Slips received)

THROUGH PROXIES : 55
(As per Proxy Register)

DIRECTORS:

Mr. Surinder P. Kanwar	Chairman & Managing Director
Mr. Sameer Kanwar	Joint Managing Director
Dr. Ram S. Tarneja	Director
Mr. N. J. Kamath	Director
Mr. V. K. Pargal	Director
Mr. W. R. Schilha	Director
Mr. Rakesh Chopra	Director
Mr. S.G.Awasthi	Director

IN ATTENDANCE:

Mr. Milind Pujari	Chief Financial Officer
Mr. Prashant Khattry	Head (Legal) & Company Secretary

Following registers were placed before the meeting:

1. Register of Members
2. Proxy Register
3. Register of Directors' Shareholding

The Chairman welcomed the members to the 41st Annual General Meeting of the Company. He introduced the Directors, Chief Financial Officer and Company Secretary seated on the dais to the Shareholders. He declared that the necessary quorum was present and called the meeting to order.

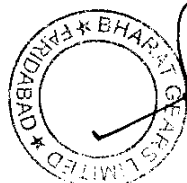
The Chairman, after welcoming the shareholders present, gave his keynote address:

QUOTE:

Dear Shareholders,

Welcome to **41st Annual General Meeting** of the Company.

As we meet today, we are consciously aware of the difficult economic environment which has not improved in any measure since last 12 months. As a matter of fact the circumstances have become more challenging than ever before.

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On the economic front, our National GDP growth has not improved; it has recorded merely 5% growth being the lowest in the last decade.

Inflation continues to be a matter of concern, while the Whole Sale Price Index has shown some improvement but the consumer Price index has gone up. So is the spiralling Fiscal deficit and high interest rates.

Now the challenge is to counter the growth slowdown by reviving investment, reviving demand and restraining the current account deficit.

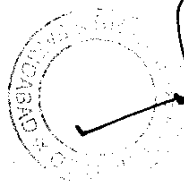
The Global economies have also suffered from low growth and high inflation in the past few years. The USA, the biggest economy of the world has shown some improvement yet not sufficient to be of any help to international business.

As you know that Bharat Gears manufacture Gears for **Commercial vehicles, Farm Tractors, Off-highway vehicles and construction equipment.** Manufacturers of all these products have been affected in the absence of adequate economic growth. Consequently it has had effect on your company's business as well.

Your Company's management, notwithstanding all the constrains of growth, inflation, high interest rates, continues to do its best under the circumstances. **Although your company had earned lower revenue, reduced by 9.4% to Rs.395.32 Crore. However Profit after tax (PAT) of Rs.4.97 Crore was achieved.**

With the belief that the current down turn in the economy is a temporary phase, your Board of Directors has decided to maintain the dividend at 18% same as last year for the Equity Shares and recommend it for your approval. I am happy to inform you that as a strategy for our long term plans there are some key elements:

- 1) We have concentrated our efforts to diversify in different geographies and have **achieved good results in overseas business.** I expect that the Domestic business will start improving as soon as we see some improvement in our domestic economy.
- 2) We continue to remain committed to **continuously upgrade our technology** by investing in highly sophisticated Klingelberg CNC gear cutting machine (C-50) and shaving cutter sharpening machine (SRS-400) in FY 2013.
- 3) We have inaugurated **BGLThird plant, at Lonand, Satara, Maharashtra** in May, 2013. The commercial operations at the Lonand plant is expected to commence in August 2013. This plant, focused on transmission gears, will enhance servicing our customers in Pune belt and also provide flexibility to grow the entire transmission gears portfolio.

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The Monsoon is showing a very encouraging trend, the Government is also well seized of the economic problems. I expect that in the near future we may see a revival trend in our economy.

Given that situation, the business of our customers will start improving and we will also benefit from such improvement

Ladies and Gentlemen, It gives me pleasure in informing you that industrial relations at our plants were very cordial during the year and workers fully share our vision for the future. I also wish to place on record my deep sense of gratitude for the committed services of the executives and the associates of the Company.

I take this opportunity to thank our partners and customers for their cooperation. And, I extend my heartiest gratitude to you, the shareholders, for your valued support.

Surinder P. Kanwar
Chairman & Managing Director

Thank you and best wishes

UNQUOTE:

Thereafter, on the request of the Chairman, Mr. Prashant Khattry, Head (Legal) & Company Secretary read out the Auditors' Report before the Members present. With the permission of members present, the Notice of the 41st Annual General Meeting was taken as read.

Subsequently, the Chairman proceeded with the business of the meeting as set out in the notice calling the Annual General Meeting.

ORDINARY BUSINESS:

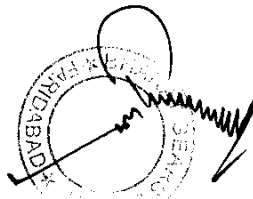
The Chairman took up Item No. 1 of the notice, being the adoption of Annual Accounts of the Company, for consideration of the members:

1. ADOPTION OF ANNUAL ACCOUNTS

Before putting the resolution to vote, the Chairman invited queries from the members. The queries raised by the members were satisfactorily replied to by the Chairman.

On the motion of Mr. M.P. Bhutani (DP ID/ Client ID 1204470004410719) and after being seconded by Mr. S.K. Agarwal (DP ID/ Client ID 1201330000747610), the following resolution was put to vote by show of hands and was passed unanimously as an Ordinary Resolution:

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“RESOLVED THAT the Audited Balance Sheet of the Company as at 31st March, 2013, Statement of Profit & Loss Account along with Notes forming part of the financial statements and Cash Flow Statement for the year ended on that date and the reports of the Directors’ & Auditors’ thereon be and are hereby adopted.”

Thereafter, the Chairman took up Item No. 2 of the notice, being the declaration of dividend on equity shares of the Company, for consideration of the members.

2. DECLARATION OF DIVIDEND ON EQUITY SHARES

The following resolution, proposed by Mr. Chetan Chadha (DP ID IN300118 Client ID 10826627) and seconded by Mr. S.K. Agarwal (DP ID/ Client ID 1201330000747610), was put to vote by show of hands and was passed unanimously as an Ordinary resolution:

“RESOLVED THAT pursuant to the recommendation of the Board of Directors, dividend on equity shares @ Rs.1.80/- per equity share for the year 2012-13 be and is hereby declared out of the current profits of the Company for the year ended 31st March, 2013.

RESOLVED FURTHER THAT Equity dividend will be paid to the Members whose names appear in the Register of Members of the Company after giving effect to all valid share transfers in physical form lodged with the Company or its Registrar on 26th July, 2013 and in respect of shares held in electronic form, the dividend will be paid to those ‘beneficiaries’ whose names appear on the statements of beneficial ownership furnished by NSDL and CDSL for this purpose, at the end of business hours on 26th July, 2013.”

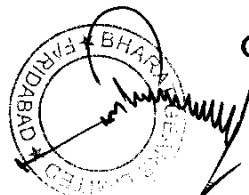
The Chairman took up Item No. 3 of the notice, being the re-appointment of Mr. Rakesh Chopra as Director of the Company, for consideration of the members:

3. RE-APPOINTMENT OF MR. RAKESH CHOPRA AS A DIRECTOR

The following resolution proposed by Mr. Rakesh Kumar (DP ID/ Client ID 1201410000010225) and seconded by Mr. Gulshan Gera (DP ID IN301127 Client ID 15386164) was put to vote by show of hands and was passed unanimously as an Ordinary Resolution:

“RESOLVED THAT Mr. Rakesh Chopra, who retires by rotation in accordance with Article 111 of Articles of Association of the Company and is eligible for re-appointment, be and is hereby re-appointed as Director of the Company liable to retire by rotation.”

After that, the Chairman took up Item No. 4 of the notice, being the re-appointment of Mr. W.R. Schilha as Director of the Company, for consideration of the members:



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4. RE-APPOINTMENT OF MR. W.R. SCHILHA AS A DIRECTOR

On the motion of Mr. S.K. Agarwal (DP ID/ Client ID 1201330000747610), the following resolution was seconded by Mr. Gurdeep Singh (Folio No. 101243) and passed unanimously as an Ordinary resolution after being put to vote by show of hands:

"RESOLVED THAT Mr. W.R. Schilha, who retires by rotation in accordance with Article 111 of Articles of Association of the Company and is eligible for re-appointment, be and is hereby re-appointed as Director of the Company liable to retire by rotation."

The Chairman took up Item No. 5 of the notice, being the appointment of Statutory Auditors of the Company, for consideration of the members:

5. RE-APPOINTMENT OF STATUTORY AUDITORS OF THE COMPANY

On the motion of Mr. J.K. Sharma (Folio No. 31973), the following resolution was seconded by Mr. Rakesh Kumar (DP ID/ Client ID 1201410000010225), and passed unanimously as an Ordinary Resolution after being put to vote by show of hands:

"RESOLVED THAT pursuant to the provisions of Sections 224(1) and other applicable provisions, if any, of the Companies Act, 1956 Messrs. Deloitte Haskins & Sells- Ahmedabad, Chartered Accountants, registered with The Institute of Chartered Accountants of India vide Membership No. 117365W be and hereby re-appointed as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting to conduct the audit of the Accounts of the Company for the Financial Year 2013-2014, at such remuneration as may be mutually agreed between the Board of Directors of the Company and the Auditors, plus service tax and out of pocket expenses."

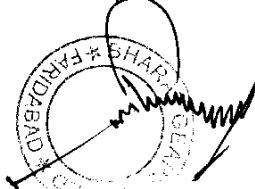
SPECIAL BUSINESS:

Dr. Ram S. Tarneja took the chair for Item No. 6 as Mr. Surinder P. Kanwar was deemed to be interested in the matter thereof:

6. APPOINTMENT OF MR. SAMEER KANWAR AS JOINT MANAGING DIRECTOR FOR FURTHER PERIOD OF 5(FIVE) YEARS

On the motion of Mr. M.P. Bhutani (DP ID/ Client ID 1204470004410719) and after being seconded by Mr. Manjit Singh (DP ID IN300206 Client ID 10907641) the following resolution was put to vote by show of hands and was passed unanimously as a Special Resolution:

"RESOLVED THAT pursuant to the provisions under Sections 192(4), 198, 268, 269, 302, 303(2), 309, 310, 311, 316, 317, Schedule XIII as applicable and other applicable provisions, if any, of the Companies Act, 1956 (hereinafter referred to



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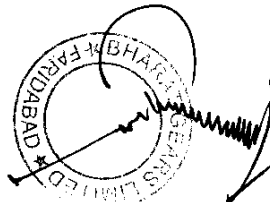
as "the Act") including any statutory amendment, modifications, or re-enactment thereof and subject to the approval of the Central Government, if required and further subject to such other requisite approvals, as may be required, in this regard, the consent of the shareholders be and is hereby accorded for the re-appointment of Mr. Sameer Kanwar, Joint Managing Director of the Company for a further period of five (5) years with effect from 1st June, 2013 on the terms and conditions including remuneration payable to him for a period of 3 (three) years w.e.f 1st June, 2013 as recommended by the Remuneration Committee and approved by the Board of Directors of the Company and as set out in the explanatory statement which forms part of this resolution notwithstanding that the remuneration may exceed the limits prescribed in provisions of Sections 198, 309 and Schedule XIII of the Companies Act, 1956.

RESOLVED FURTHER THAT the remuneration as set out in the explanatory statement which forms a part of this resolution, payable to Mr. Sameer Kanwar, Joint Managing Director for a period of 3 (three) years w.e.f 1st June, 2013, is subject to the condition that :-

- a. the total remuneration payable in any financial year by way of salary, perquisites, commission and other allowances shall not exceed the overall limit of five percent (5%) of the net profits of the Company as applicable to each of the Managing/Whole-time Directors of the Company and/or ten percent (10%) of the net profits of the Company for all the Managing/Whole-time Directors in accordance with the provisions of Sections 198, 309, 310 and other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII including any statutory amendments, modifications, or re-enactments thereof, as may be made thereto and for the time being in force or
- b. if the Remuneration exceeds the limits as prescribed in the provisions of Section 198, 309 and Schedule XIII of the Companies Act, 1956, the remuneration payable shall be specifically approved by the Central Government.

RESOLVED FURTHER THAT notwithstanding anything contained in Sections 198, 309 and the Schedule XIII of the Companies Act, 1956 or any amendment/re-enactment thereof or any other revised / new schedule or guidelines thereof, in the event of absence of profits or inadequacy of profits in any financial year, the salary, perquisites and statutory benefits (except commission), as set out in the explanatory statement which forms part of this resolution, be paid as minimum remuneration to Mr. Sameer Kanwar, Joint Managing Director subject to the approval of the Central Government, if required.

RESOLVED FURTHER THAT in absence of the approval of the Central Government for the payment of remuneration to Mr. Sameer Kanwar, Joint Managing Director exceeding the limits prescribed in Section 198, 309 and Schedule XIII of the Companies Act, 1956, as amended from time to time, he shall



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be entitled to draw remuneration within the limits as prescribed in Section 198, 309 and Schedule XIII of the Companies Act, 1956.

RESOLVED FURTHER THAT the Board of the Directors of the Company be and is hereby authorized to do all such acts, deeds and things, to enter into such agreement(s), deed(s) of amendment(s) or any such document(s), as the Board may, in its absolute discretion, consider necessary, expedient or desirable including power to sub-delegate, in order to give effect to this resolution or as otherwise considered by the Board to be in the best interest of the Company, as it may deem fit.”

There being no other business to transact, the meeting concluded with a vote of thanks to the Chair.

Sd/-
CHAIRMAN

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