

# MINUTES

**MINUTES OF THE TWENTY-SIXTH ANNUAL GENERAL MEETING OF TIMKEN INDIA LIMITED HELD AT TANGERINE CONFERENCE HALL, LEMON TREE HOTEL, PLOT NO. 54B/55A, HOSUR MAIN ROAD, ELECTRONIC CITY, PHASE I, BANGALORE – 560 100 ON THURSDAY, 1 AUGUST 2013 AT 10.00 AM**

Present : Mr. James R. Menning - Chairman  
Mr. Sanjay Koul - Managing Director  
Mr. P S Dasgupta - Member and Director, Chairman,  
Mr. Nirop Mahanty - Director – Chairman, Investors  
Grievance Committee and  
Remuneration Committee  
Mr. Jai S Pathak - Director  
Mr. Christopher J Holding - Director  
and 66 Members present in person;  
and 22 Members present by proxy;  
and Timken Singapore Pte Ltd. represented by  
Mr. James R Menning  
and ICICI Prudential Discovery Fund  
represented by Mr. Mahesh A. (IN30012611218513)

In Attendance: Mr. Soumitra Hazra - Member and Company Secretary

## QUORUM

The Chairman ascertained the presence of the quorum from the Company Secretary & Chief-Compliance and declared the meeting open and welcomed the shareholders. He then introduced the members of the Board of Directors.

The Chairman sought and obtained the permission of the Members to take the Notice and the Directors' Report as read.

## REGISTER OF DIRECTORS' SHAREHOLDINGS

The Chairman stated that the Register of Directors' Shareholdings, kept pursuant to Section 307 of the Companies Act, 1956, was available for inspection. Thereafter, he called upon the Company Secretary & Chief-Compliance to read the Auditors' Report.

## PROCEEDINGS OF THE MEETING

The Chairman thereafter, shared with the meeting the financial highlights of the Company for the year ended 31 March 2013 covering the following areas –

- Decent sales performance in most segments despite very tough economic and liquidity conditions –

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- Total revenue growth by 2%
  - Exports sales growth by 8%
  - Domestic Sales growth by 2%
- (Period: Apr'12-Mar'13 vs Apr'11-Mar'12)

- Good working capital management. DSO (domestic) at 61 days.
- Dividend of Rs.-2 per equity share of Rs-10 each fully paid (20%) recommended.
- Raipur Gear Services facility project on track.
- Good team work. Next generation leadership development investments.

Chairman also briefed the members present about certain macro-economic indicators prevailing in Indian economy - slowing down of India's GDP growth to a decade low of 5%, decline in manufacturing growth from 14% in FY 2006-07 to 1% in FY 2012-13 and weakening of Indian Rupees against USD to an all time low at Rs. 60.73.

Thereafter, at the request of the Chairman, Managing Director presented to the shareholders the detailed financial performance in 2012-13 as follows –

- 1) Financial summary – Profit & Loss – 2012-13
- 2) Sales – Domestic Vs. Exports
- 3) Financial summary – Balance Sheet – 2012-13
- 4) Opportunities & Challenges -

#### Opportunities -

- a. Performance differentiation
- b. Indigenization
- c. Exports
- d. Services Business
- e. New Products

#### Challenges -

- a. Economic slowdown
- b. Volatile currency
- c. Cost – inflationary pressure – steel indirect material, etc.
- d. Counterfeit product – low quality duplicate bearings and violation of IPR

Chairman also shared his views on the opportunities and challenges and stated that in order to overcome the challenges the Company would continue to chart appropriate course of action following the core values of ethics, integrity, innovation and independence to overcome the challenges.

The Chairman then took up the resolutions one by one.

1. ADOPTION OF DIRECTORS' REPORT, AUDITED ACCOUNTS AND THE AUDITORS' REPORT THEREON

AS AN ORDINARY RESOLUTION

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"RESOLVED THAT the Directors' Report, Audited Balance Sheet of the Company as on 31 March 2013 and the Statement of Profit & Loss for the year ended on that date, together with the Auditors' Report thereon be and are hereby approved and adopted."

Proposed by : Mr. James R Menning,  
Authorized Representative  
Timken Singapore Pte Ltd.  
(DP/Client ID - IN30043310019517)

Seconded by : Ms. Regina Vasudevan  
(Folio No. SR08306)

Thereafter the Chairman invited queries from the Members. Shareholders, participating in the discussion spoke mainly about the following issues:

- 1) Venue of the meeting – long distance away from the city with no transport arrangements – had the Company made some transport arrangement, it would have been helpful for shareholders to attend.
- 2) Giving memento /gift to the shareholders attending the Annual General Meeting to celebrate Silver Jubilee of the Company last year.
- 3) Bonus Shares – The Company having sizeable reserves, why not issue Bonus Shares?
- 4) Why the rate of dividend recommended by the Board was low?
- 5) Why did two directors resign before the expiry of their terms?
- 6) Why did the Company suffer loss of income by redemption of investment?

These queries were suitably answered by the Chairman and the Managing Director and thereafter, the Chairman put the resolution to vote.

On a voting by show of hands, the Chairman declared the Resolution as carried by majority.

### 2. DECLARATION OF DIVIDEND ON EQUITY SHARE CAPITAL OF THE COMPANY

#### AS AN ORDINARY RESOLUTION

"RESOLVED THAT a dividend @ Rs. 2/- per equity share of Rs. 10/- fully-paid be and is hereby declared out of the profits of the Company and the said dividend be paid to those shareholders whose names appeared on the Register of Members of the Company as at the close of business on 24 July 2013 and in respect of dematerialized shares, be paid to those Beneficial Owners whose names appeared as at the close of business on 24 July 2013 as per the details furnished by the Depositories for this purpose."

Proposed by : Mr. Rupendu Banerjee  
(Folio No. SR08453)

Seconded by : Mr. P. Prasanth  
(Folio No. SP09174)

On voting by show of hands, the Chairman declared the Resolution as carried by majority.

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## 3. APPOINTMENT OF DIRECTOR RETIRING BY ROTATION

### AS AN ORDINARY RESOLUTION

"RESOLVED THAT Mr. P S Dasgupta, who retires by rotation and being eligible offers himself for reappointment be and is hereby reappointed as a Director of the Company."

Proposed by : Mr. Pappala Santosh Kumar  
(DP ID / Client ID. 1301930000800295)

Seconded by : Ms. Jagadeshwari S. Murunal  
(Folio No. SJ02998)

On voting by show of hands, the Chairman declared the Resolution as carried by majority.

The next item was related to the reappointment of Mr. James R Menning, Chairman as a Director of the Company and therefore, the Chairman requested Mr. P S Dasgupta, Director & Chairman of the Audit Committee to conduct that particular part of business of the meeting. Mr. Dasgupta took over from Mr. Menning and took up the following resolution -

## 4. APPOINTMENT OF DIRECTOR RETIRING BY ROTATION

### AS AN ORDINARY RESOLUTION

"RESOLVED THAT Mr. James R. Menning, who retires by rotation and being eligible offers himself for reappointment be and is hereby reappointed as a Director of the Company."

Proposed by : Mr. Jitender Singh  
(Folio No. SJ02767)

Seconded by : Mr. Gautam Das  
(Folio No. SG03022)

On voting by show of hands, the Chairman declared the Resolution as carried unanimously.

Thereafter, Mr. Dasgupta requested Mr. Menning to conduct the rest of the business of the meeting as the Chairman.

## 5. RE-APPOINTMENT OF AUDITORS

### AS AN ORDINARY RESOLUTION

"RESOLVED THAT Messrs. S R B C & Co LLP (Registration No. FRN324982E), Chartered Accountants be and they are hereby appointed as the Auditors of the Company to hold such office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting at a remuneration to be mutually agreed between the Board of Directors and the Auditors."

Proposed by : Mr. Harish K B  
(Folio No. SH02229)

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*[Handwritten Signature]*

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Seconded by : Ms. Richa Rastogi  
(Folio No. SR08454)

On voting by show of hands, the Chairman declared the Resolution as carried by majority.

6. APPOINTMENT OF MR. SANJAY KOUL  
AS A DIRECTOR OF THE COMPANY

AS AN ORDINARY RESOLUTION

"RESOLVED THAT Mr. Sanjay Koul, in whose respect notice has been received from a member under the provisions of Section 257 of the Companies Act, 1956, be and is hereby appointed as a Director of the Company."

Proposed by : Mr. Somnath Chatterjee  
(Folio No. SS12038)

Seconded by : Ms. Megha Nr.  
(Folio No. SM07144)

7. APPOINTMENT OF MR. SANJAY KOUL  
AS THE MANAGING DIRECTOR OF THE COMPANY

AS AN ORDINARY RESOLUTION

"RESOLVED THAT pursuant to Section 269, 309 and other applicable provisions if any, of the Companies Act, 1956 ('the Act') and subject to approval of the Central Government and such other approvals as may be necessary, Mr. Sanjay Koul ('Mr. Koul') be and is hereby appointed as the Managing Director of the Company effective from 26 October 2012 on the terms and conditions set out in an Agreement to be entered into between the Company and Mr. Koul in terms of the draft placed before the meeting and initialed by the Chairman of the purpose of identification and that the Board of Directors of the Company be and is hereby authorized to take all such steps in this regard as may be necessary, proper and expedient, including without limitation, to enter into an Agreement on behalf of the Company with Mr. Koul in terms of the said draft."

Proposed by : Ms. Jahnvi Gurjer  
(Folio No. SJ03048)

Seconded by : Ms. Nilanjana Dutta  
(Folio No. SN03968)

On voting by show of hands, the Chairman declared the Resolution as carried by majority.

8. APPOINTMENT OF MR. CHRISTOPHER J. HOLDING  
AS A DIRECTOR OF THE COMPANY

AS AN ORDINARY RESOLUTION

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*[Handwritten Signature]*

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"RESOLVED THAT Mr. Christopher J. Holding, in whose respect notice has been received from a member under the provisions of Section 257 of the Companies Act, 1956, be and is hereby appointed as a Director of the Company."

Proposed by : Mr. Avishrant Keshava  
(Folio No. SA07909)

Seconded by : Ms. Smitha Bhat  
(Folio No. SS014478)

There being no other business, the Chairman thanked the Members for attending the Meeting and the proceedings of the Twenty-sixth Annual General Meeting of the Company came to an end with a vote of thanks offered by Mr. Prasanth Pookot (Folio No. SP09174) to the Chairman.

  
CHAIRMAN

Aug. 26, 2013

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