

ABC Bearings Limited

Minutes of the 53rd Annual General Meeting of ABC Bearings Limited held at 4.30 p.m. on Thursday, the 17th July, 2014, at Hall of Culture, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai – 400 018.

Present:	Mr. S.M. Patel	-	Chairman
	Mr. P. M. Patel	-	Managing Director
	Mr. T.M. Patel	-	Executive Director
	Mr. S.K. Diwanji	-	} Directors
	Mr. Jal R. Patel	-	
	Mr. Nalin M. Shah	-	
	Mr. S.K. Choudhary	-	
	Members	-	53
In Attendance:	Mr. S.B. Desai	-	Company Secretary

Shri S.M. Patel, Chairman, took the chair.

The Chairman welcomed the members at the meeting.

The Chairman then announced that the Register of Directors' Shareholding was available at the meeting for inspection by the Members and were kept open for inspection before the meeting. Thereafter, with the consent of members present, the notice convening the meeting was taken as read.

The Chairman further announced that copies of Annual Report including Balance Sheet, Statement of Profit and Loss, Directors' Report and Auditors' Report thereon were posted to all the shareholders and the originals were laid on the table for inspection.

Mr. S.B. Desai, Company Secretary, read out the Auditors' Report for the year ended 31st March, 2014.

The Chairman in his statement dealt with general economic scenario, the performance of the Company and future outlook of the Company.

He informed the members that our economy is going through a difficult phase, as a result of which the auto sector recorded one of its worst periods in 2013-14. The volatile market situation has affected the overall growth of the industry. A combination of high inflation, low growth and large current account deficit has led to unprecedented volatility in exchange rates and portfolio outflows. This coincided with a period in which we saw first steps of normalisation in monetary policy and resumption of growth in the developed market economies leading to concerns of portfolio outflows from emerging markets. India has been no exception to this and has witnessed a combination of growth, inflation and business confidence worries that have hurt margins and impacted new investments.

He further informed that the auto sector is expected to pick up in the second half of the year and show growth in the year 2014-15 and are confident that in the long run the auto industry is poised for significantly higher growth.

The Chairman further informed that the Company recorded a turnover of Rs.158 crores showing negative growth of approximately 5% over the previous year. This negative growth was much lower than the negative growth of the user industry mainly the Commercial Vehicle Industry. The financial performance during the year registered a net profit after tax of Rs.4.63 crores as against Rs.5.30 crores of the previous year.

He then informed the members that in order to improve the profitability, the Company has initiated several measures to improve both the top and bottom line. Cost cutting measures have been successfully implemented during the year under review. These measures have started showing positive results and will continue to benefit the Company in the future years as well.

The recessionary trend had an impact on both sales and production of the Company's plants especially, the Uttarakhand plant, the products of which cater mainly to the commercial vehicle manufacturers in Uttarakhand.

The Industrial and Big bearing plant now in its third year has successfully developed several types of bearings used for construction machinery, industrial gears, agricultural engineering equipment, metal production, food processing and material handling industries. The division has also successfully developed Slewing Bearings for the Defence, Wind Turbine and Construction Industry. The products have been well accepted by the customers and the Company is confident that as the industrial activity in the Country picks up, this division will grow well.

He further informed the members that the turnover of the Company for the first quarter of the current year is Rs.40.56 crores compared to Rs.37.76 crores in the previous year. With the positive effects of the budget, the Company expects sales to pick up from the second half of the year.

The Chairman then proposed the following resolutions:

Resolution No.1 - Ordinary Resolution

"RESOLVED THAT the Audited Balance Sheet as at 31st March, 2014 and the Statement of Profit and Loss for the year ended 31st March, 2014 and the Directors Report and Auditors' Report thereon, printed copies of which have already been forwarded to members and the originals of which are now laid before meeting, be and they are hereby approved and adopted."

This was seconded by Mr. Yusuf Yunus Rangwalla.

Thereafter, the Chairman invited the members to ask questions and offer their comments.


The following shareholders participated in the proceedings of the meeting:

Mr. Dinesh Kotecha, Mr. H.V. Sanghvi, Mr. Bharat Shah, Mr. Prakash C. Tamhane
Mr. Yusuf Rangwala and Mr. Anil Mehta.

Queries raised by the shareholders were satisfactorily dealt with by the Managing Director.

The Chairman then put the resolution to vote on a show of hands and the same was carried unanimously.

Thereafter the following resolutions were proposed:


CHAIRMAN'S INITIALS

Resolution No.2 - **Ordinary Resolution**
Declaration of Dividend.

Proposed by : Mr. H.V. Sanghvi
 Seconded by : Mr. Dinesh Kotecha

“RESOLVED THAT dividend @ Rs.2/- (20%) per equity share on 1,15,50,000 Equity Shares of Rs.10/- each be and is hereby declared for distribution out of the Profit for the year ended 31st March, 2014.”

The Resolution was carried unanimously.

Resolution No.3 - **Ordinary Resolution**
Retirement of Director by rotation: Mr. S.M. Patel

Proposed by : Mr. Jal R. Patel
 Seconded by : Mr. Yusuf Yunus Rangwalla

“RESOLVED THAT Mr. S.M. Patel, a Director retiring by rotation at this meeting and who is eligible for re-appointment be and is hereby re-appointed as Director of the Company.”

The Resolution was carried unanimously.

Resolution No.4 - **Ordinary Resolution.**
Appointment of Auditors.

Proposed by : Ms. Shobba S. Shenoy
 Seconded by : Ms. S.K. Mahajan

“RESOLVED THAT pursuant to Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, as amended from time to time, M/s. Parikh & Shah, Chartered Accountants (Firm Registration No.107528W) be and is hereby re-appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the Fifty-sixth Annual General Meeting (subject to ratification of their appointment at every Annual General Meeting) at such remuneration plus service tax, out of pocket expenses, travelling expenses, etc., as may be mutually agreed between the Board of Directors of the Company and the Auditors.”

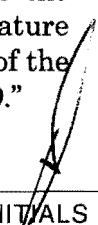
The Resolution was carried unanimously.

Resolution No.5 - **Ordinary Resolution.**
Appointment of Independent Director – Mr. Jal R. Patel

Proposed by : Mr. Bharat Shah
 Seconded by : Mr. H.V. Sanghvi

“RESOLVED THAT pursuant to the provisions of 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. Jal Ratanshaw Patel (holding DIN 00065021), Director of the Company whose period of office is liable to determination by retirement of directors by rotation and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term upto 31st March, 2019.”

The Resolution was carried unanimously.

CHAIRMAN'S INITIALS 

Resolution No.6 - Ordinary Resolution.

Appointment of Independent Director – Mr. Shishir K. Diwanji.

Proposed by : Mr. Dinesh Kotecha
Seconded by : Mr. Prakash Tamhane

“RESOLVED THAT pursuant to the provisions of 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. Shishir Kisonlal Diwanji (holding DIN 00087529), Director of the Company whose period of office is liable to determination by retirement of directors by rotation and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term upto 31st March, 2019.”

The Resolution was carried unanimously.

Resolution No.7 - Special Resolution.

Appointment of Mr. S.M. Patel as Executive Chairman


Proposed by : Mr. Bharat V. shah
Seconded by : Ms. S.K. Mahajan

“RESOLVED THAT pursuant to the provisions of Sections 197, 198, 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013, the appointment of Mr. S.M. Patel as the Executive Chairman of the Company for a period of three years with effect from 2nd May, 2014, on the terms and conditions including remuneration as set out in the draft Agreement to be entered into between the Company and Mr. S.M. Patel, copy whereof initialled by the Chairman for the purpose of identification placed before this meeting be and is hereby approved.”

“RESOLVED FURTHER THAT subject to the provisions of Section 198 read with Schedule V of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013, in the event of inadequacy or absence of profits, Mr. S.M. Patel, be paid the remuneration as set out in the Draft Agreement to be entered into between the Company and Mr. S.M. Patel, as the Minimum Remuneration.”

“RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to take all such steps including the power to alter and vary the terms and conditions of the said appointment in such manner as may be agreed to between the Board and Mr. S.M. Patel, subject to such approval as may be necessary, proper and expedient and to do any act, deeds, matters and things to give effect to this Resolution.”

The Resolution was carried unanimously.


CHAIRMAN'S INITIALS

Resolution No.8 - Special Resolution.Appointment of Mr. P.M. Patel as Managing Director

Proposed by : Mr. Dinesh Kotecha
 Seconded by : Mr. Anil Mehta

“RESOLVED THAT pursuant to the provisions of Sections 197, 198, 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013, the appointment of Mr. P.M. Patel as the Managing Director of the Company for a period of three years with effect from 1st August, 2014, on the terms and conditions including remuneration as set out in the draft Agreement to be entered into between the Company and Mr. P.M. Patel, copy whereof initialled by the Chairman for the purpose of identification placed before this meeting be and is hereby approved.”

“RESOLVED FURTHER THAT subject to the provisions of Section 198 read with Schedule V of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013, in the event of inadequacy or absence of profits, Mr. P.M. Patel, be paid the remuneration as set out in the Draft Agreement to be entered into between the Company and Mr. P.M. Patel, as the Minimum Remuneration.”

“RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to take all such steps including the power to alter and vary the terms and conditions of the said appointment in such manner as may be agreed to between the Board and Mr. P.M. Patel, subject to such approval as may be necessary, proper and expedient and to do any act, deeds, matters and things to give effect to this Resolution.”

The Resolution was carried unanimously.

Resolution No.9 - Special Resolution.Borrowing power to Board of Directors

Proposed by : Mr. Anil Mehta
 Seconded by : Mr. Bharat V. Shah

“RESOLVED THAT in supersession of all earlier resolutions passed in this regard and pursuant to the provisions of Section 180(1)(c) and all other applicable provisions, if any, of the Companies Act, 2013 and in accordance with the applicable provisions of the Companies Act, 1956, if any (including any statutory modification or re-enactment thereof, for the time being in force), the consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall deemed to include any Committee of the Board constituted or to be constituted to exercise its powers including the powers conferred by this resolution) for borrowing any sum or sums of money from time to time from any one or more of the Company’s bankers and/or financial or investment institutions and/or from anyone or more other persons, firms, companies, whether by way of cash credit, advance or deposits, loans or bill discounting or otherwise and whether unsecured or secured by mortgage, charge, hypothecation or lien or pledge of the Company’s assets and properties whether movable or stock-in-trade (including raw-materials, stores, spare parts and components in stock or in transit) and work-in-progress and all or any of the undertakings of the Company notwithstanding that the moneys to be borrowed together with moneys already borrowed by Company (apart

HELD AT _____

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TIME _____

from temporary loans obtained from the Company's bankers in the ordinary course of business) will or may exceed the aggregate of the paid up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose but, so however, that the total amount upto which the moneys may be borrowed by the Board and outstanding at any time shall not exceed the sum of Rs.500 crores (Rupees five Hundred Crores only) exclusive of interest, and the Board are hereby further authorised to execute such deeds of debentures and debenture trust deeds or mortgage, charge, hypothecation, lien, promissory notes, deposit receipts and other deeds and instruments or writings as they may think fit and containing such conditions and covenants as the Board may think fit and generally to do all such acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this resolution."

The Resolution was carried unanimously.

Resolution No.10 - Ordinary Resolution.

Ratification of Remuneration Payable to M/s. B.J.D. Nanabhoy & Co., Cost Auditors for the year ending 31st March, 2015.

Proposed by : Mr. Prakash C. Tamhane
Seconded by : Ms. S.K. Mahajan

"RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 including any statutory modification(s) or enactment thereof, for the time being in force), B. J. D. Nanabhoy & Co., the Cost Auditors appointed by the Board of Directors, to conduct the audit of cost records of the Company for the financial year ending March 31, 2015 be paid the remuneration as set out in the Statement annexed to the Notice convening this Meeting.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

The Resolution was carried unanimously.

Declaration of result in case of Special Resolution proposed through Postal Ballot:

The Chairman declared that 79,23,926 number of shares for which members have exercised their franchise through postal ballot. Out of which 69,85,482 number of votes polled in favour of the resolution and 9,38,444 number of votes polled against the resolution. Result : passed with requisite majority.

Mr. Dinesh Kotecha then proposed a vote of thanks to the Chair and the Chairman declared the meeting as concluded.

Mumbai
21.07.2014


CHAIRMAN
28-07-2014