

January 7, 2015

**The Listing Department,
Bombay Stock Exchange,
Floor 25, P J Towers,
Dalal Street,
Mumbai – 400 001.**

**The Listing Department,
National Stock Exchange of India Limited,
“Exchange Plaza”
Plot No. C/1, G Block,
Bandra - Kurla Complex,
Bandra East,
Mumbai 400 051.**

Dear Sir / Madam,

Sub : Submissions of proceedings of 54th Annual General Meeting - reg

Please find enclosed the proceedings of 54th Annual General Meeting of the Company held on 22nd December, 2014

Kindly take the above on record.

Thanking you,

Yours faithfully,
For Hinduja Foundries Limited,



**S VENKATASUBRAMANIAN
COMPANY SECRETARY**

Encl : As above

HINDUJA FOUNDRIES LIMITED CIN-L27104TN1959PLC003849

Corporate Office : 477-482, Anna Salai, Khivraj Complex II, 7th Floor, Nandanam, Chennai-600 035.
Phone : 044-42016742, 42013548, Fax : 044-42021443 Website : www.hindujafoundries.com
Regd. Office : Kathivakkam High Road, Ennore, Chennai - 600 057.



PROCEEDINGS OF THE 54TH ANNUAL GENERAL MEETING OF HINDUJA FOUNDRIES LIMITED HELD ON MONDAY , DECEMBER 22, 2014, AT 10.00 A.M, AT RANI SEETHAI HALL, 603, ANNA SALAI, CHENNAI – 600 006.

MEMBERS PRESENT

1005 members and 76 proxies recorded attendance.

DIRECTORS' PRESENT:

Mr. R. Seshasayee	Chairman
Mr. GRV Rajan	Managing Director & CEO
Mr. D J Balaji Rao (Chairman Audit Committee)	Director
Mr. Sridhar Venkiteswaran	Director
Mr. T Anantha Narayanan	Director
Mrs. Mohana Srinivasan	Director

IN ATTENDANCE

Mr. S. Sethuraman, Partner &
Mr. Harsh Lakhotia
BSR and Company,
Chartered Accountants,
CHENNAI.

Mr. S Venkatasubramanian	Company Secretary
Mr. K R Ravishankar	Chief Financial Officer

Mr. R Seshasayee, Chairman, after confirming that necessary quorum was present commenced the meeting at 10 a.m., the scheduled time for the meeting by extending a warm welcome to the Members and Proxies present . Chairman expressed his concerns on the thin attendance inside the meeting hall.



Chairman introduced Mr. T Anantha Narayanan and Mrs. Mohana Srinivasan, who have joined the Board with a vast experience in auto industry and financial management.

Chairman also informed that Mr. F Sahami and Mr. Jean Brunol have chosen to resign from the Board.

He then introduced the Directors and officers present on the dais and informed that Mr. Sethuraman Sivaramakrishnan & Harsh Lakhota representing BSR and Company Statutory Auditors were present

He informed that the relevant registers maintained under the Companies Act, 2013, and required to be made available at the Annual General Meeting were available for inspection by the members at the venue of the Meeting.

Chairman also informed that the Report of the Directors and the audited financial Statements for the 18 months period ended September 30, 2014 have already been circulated. With the permission of the members, the same were taken as read.

Mr. Ramalingam Vidya Shankar (DP Client ID : 1204470005731511) concurred.

Chairman then asked the Company Secretary to read the Notice.

With the consent of members present, the Notice convening the 54th Annual General Meeting (AGM) was taken as read.

Chairman then addressed the members. Some key points of the address are, viz.

- economic slowdown in the last three years affected the auto industry, which in turn had an adverse impact on the foundry industry in general and the Company in particular.
- signs of a gradual recovery of economy and improved customer sentiment bring optimism to the auto industry.
- a 4.3 % increase in sale volume on pro-rata basis during the 18 months period was on account of growth in tractor segment during 12 months period coupled with growth in M&HCV segment for the period April – September 2014.
- unremunerative pricing for products, higher interest cost on account of increased borrowing, low capacity utilisation, resulting in higher losses.
- to improve the performance, various measures such as securing new business, improve its share of business with customers and improving value addition to



customers through increased supply of machined castings and right-sizing of its workforce and executive strength.

- Changes in the directorship of the Company by way of resignations and additions.
- Issue of new shares by way of QIP (Qualified Institutional Placement) to FII's and Preferential allotment to Hinduja Foundries Holding Limited, Mauritius, part of "promoter group"

He then asked Mr. GRV Rajan, Managing Director, to make a presentation on the performance of the Company.

Mr. GRV Rajan, Managing Director presented the highlights of the Company's performance, for the 18 months period ended September 30, 2014, as follows :

- Slowdown in the economy affected the auto industry which in turn impacted the Company.
- EBITA loss had reduced, sales improved, revenue increased during the period on a pro-rata basis, compared to previous period.
- Similarly material cost, power cost and employee cost have been reduced.
- The challenges for the Company is to improve the capacity utilization, reduce manpower cost and make the operations EBITA positive.

Chairman, prior to inviting comments/ questions from members requested the Company Secretary to enlighten the members about voting process and other related matters.

Mr. S Venkatasubramanian, Company Secretary briefed the members on the voting procedures, as follows:

- Since the e-voting facility was extended to the members pursuant to the provisions of Companies Act and revised Clause 35B (e-voting commenced on 16th December, 2014 (09.00 a.m.) and closed on 18th December, 2014 (05.30 p.m.), the voting at this meeting was provided by way of ballot only so that members present who did not cast their votes through e-voting could use ballot.
- The company has distributed ballot papers along with Chairman's speech for this purpose.



- The ballot boxes were provided, near the dais; scrutinizer's team, R&TA and Secretarial team to provide assistance as may be required to the members to facilitate ballot voting as and when announced by the Chairman.

On the direction of the Chairman, the Company Secretary read out for the benefit of the shareholders, the printing and proof reading errors which had crept in the Annual Report as circulated.

SL.NO.	PAGE NO.	ITEM NO.	As printed in the annual report circulated	CORRECTIONS
1	31	(i) (a)	The Company is in the process of comprehensively compiling/updating the fixed asset register after incorporating the results of the physical verification of fixed assets.	<i>To read the sentence with italics: The Company is in the process of comprehensively compiling/updating the fixed asset register after incorporating the results of the physical verification of fixed assets.</i>
	31	(i) (b)	The Company is in the process of reconciling some of the fixed asset counted with the fixed assets register.	<i>The Company is in the process of reconciling some of the fixed asset counted with the fixed assets register.</i>
2	44	3	7265.46	7265.45 (rounding of error)
3	50	11	Charge for the period	Charge for the period # (hash symbol missed out in two places)
	50	11	Rs.338.46 lakhs (Previous year decrease of Rs.672 lakhs)	Rs.61.86 lakhs (Previous year decrease of Rs.338.46 lakhs) (figures wrongly printed)

Chairman then invited comments / questions from the shareholders He requested shareholders could raise questions only pertaining to Accounts and operations of the Company and in view of the number of items to be considered at the meeting, requested them to be as brief as possible and to confine them to the affairs of the Company.

The major questions raised, views expressed and suggestions made by the shareholders are summarized below:

- Key ratios, financial results for 10 years period have not been given this year.



- Additional borrowings were not resorted for increasing sales, but to repay old loans, which is not good.
- Other companies in foundry industry are doing well and paying dividend.
- Whether the Company has become a sick undertaking, under BIFR law.
- Whether Audit Committee was satisfied with regard to Related Party Transactions
- Contingent liabilities have increased sharply which might have financial implications, later.
- Company is making continuous losses, resulting in erosion of shareholders wealth.
- Appreciated export performance.

Chairman's reply

At the outset, Chairman shared the concerns expressed by the members on the poor performance of Company and assured the shareholders that the Board is closely monitoring, spending extra time and guiding the management at this testing time. The management was taking all possible measures to improve the performance of the Company, and he remained optimistic about the future of the Company.

He also directed the Chief Financial Officer and Company Secretary to share information as and when sought by the shareholders.

The Chairman also informed that the Company was in full compliance of the requirements law, with regard to Related Party Transactions, and complimented the Audit Committee Chairman for all the efforts / steps taken on this score.

He further informed that the Company is not a "Sick Company" and had positive net worth as at 30th September, 2014 and Company auditors had tested the going concern concept based on the earning potential of the Company.

The Company has provided / disclosed all relevant information as required by law.

Contingent liability on account of unsubstantiated claims / demand raised by the authorities, which in the opinion of management needed appeal / representation to the authorities and on account of slow process of law, the same is getting accumulated. The



company management is confident of convincing the authorities at various stages as advised by experts.

Investments were made in a Wind Mill Company to enable the Company to get the power at a lower tariff based on the power generated and thereby reduce power cost.

Company's exports are to European countries, which may be affected on account of slowdown in Europe.

The Independent Directors are only paid sitting fees for attending the Board Meetings but they have put in very valuable time in reviewing performance of the Company, framing strategy etc.

The pricing of shares for QIP / Preferential issue was as per SEBI formula and the promoter group Company paid higher price for the shares, as compared to QIP investors.

Chairman further clarified that the members may contact the Company Secretary /Chief Financial Officer and their team on any query/assistance at any time during the year.

Chairman then announced that eligible members could cast their votes using the Ballot paper provided to them. He further guided them to take the assistance of R&TA or the Company officials present inside the hall.

Chairman informed the members that the result of the votes cast through e- Voting and Ballot will be collated for all the resolutions that were placed before the shareholders for their approval and the final results of the same would be disseminated through the Stock Exchanges, websites of the Agency (NSDL) and of the Company within 48 hours. Members may view the poll results before the close of business hours on 24th December, 2014 from the respective websites.

The meeting was then declared "Closed" by the Chairman thanking all those present.

