MINUTES OF THE SIXTYNINTH ANNUAL GENERAL MEETING OF HINDUSTAN MOTORS LIMITED HELD AT KOLKATA ICE SKATING RINK, 78, SYED AMIR ALI AVENUE, KOLKATA 700 019 ON THURSDAY THE 4th AUGUST, 2011 AT 2.30 PM

Members present 1673 Members in person holding in aggregate 6495420 shares as per attendance slips deposited with the Company.

152 Members through proxies deposited with the Company and holding in aggregate 53048745 shares.

1 Chairman

Shri C. K. Birla took the Chair.

2 Quorum

The Chairman having found the quorum present in the meeting declared the meeting validly constituted.

3 Notice

With consent of the members present the Notice dated 7th June, 2011 convening the meeting was taken as read.

4 Statutory Records

The Chairman informed the members present that the Register of directors' shareholdings maintained by the Company under Section 307 of the Companies Act, 1956 and the original of the Auditors' Report dated 16th May, 2011 were available at the meeting venue and would remain open and accessible during the continuance of the meeting to persons having the right to attend the meeting.

5 Auditors' Report

At the direction of the Chairman, Shri Yogesh Goenka, Chief Financial Officer and Company Secretary read out the Auditors' Report dated 16th May, 2011 to the members of the Company.

6 Chairman's speech

Before taking up the formal agenda of the meeting for consideration of the members, the Chairman reviewed the performance of the Company for the financial year 2010-11. In his speech the Chairman summarized the overall performance of the Company for the year under review and also indicated the initiatives on hand.

The Chairman informed the members that the Indian automotive industry continued to have a steady growth during the year. Sale of passenger cars had grown up by about 29.16 % compared to 25.67 % last year.

The Chairman further informed that during the year, the Company had earned a profit of Rs 75 lacs after taxes, including profit from sale of properties/shares, on revenue of Rs. 850 Crores as compared to a loss of Rs 51.1 Crores last year. The turnover had increased by 15% during the year.

The Chairman also informed that during the year, the Company had reduced its share capital by half with the approval of shareholders and the Honorable High Court at Calcutta and the said reduced Capital was adjusted against the debit balance of Profit & Loss Account.

The Chairman also added that the accumulated losses of the Company, at the end of the financial year 31st March, 2011, had reduced to less than 50% of its peak net worth during the immediately preceding four financial years. Consequently, the Company had ceased to be a "potentially sick Company" under the provisions of Section 23 of Sick Industrial Companies (Special Provisions) Act, 1985.

The Chairman recalled the members that the Company had been focusing on niche segments of automobile and auto component business. He then briefed the members about the progress made on each line of business as well as current challenges and initiatives taken to establish a sustainable business in the years to come.

- During the year 2010-11, the Company sold 10097 vehicles compared to 11003 vehicles in the previous financial year. As regards revenue, it stood at Rs. 850 Crores compared to Rs. 737 Crores in the previous financial year.
- In the Mitsubishi vehicles range, Pajero, Outlander and Montero performed better than previous year. Pajero volumes increased further after launch of BS IV in 4th quarter of last year. Outlander sales started on a very positive note. However, during the later part of the year, sales were affected seriously due to significant increase in the petrol price.
- BS IV emission norms were made mandatory in country's 13 major cities with effect from April 1, 2010, which constitute a large part of our market. The petrol, CNG and LPG models of Ambassador are BS IV compliant whereas 1.5 litre and 2.0 litre diesel engines are yet to

attain BS IV levels. This affected the sale of the Ambassador car in the primary markets.

Sales in the taxi replacement market in Kolkata also reduced significantly during the year as the replacement of taxis post 1993 registration was not made mandatory.

- As regards Winner, a one-tonne commercial vehicle that the Company introduced some time ago, the Company upgraded various aggregates like steering, axles, suspension and gear box to further improve the performance. Winner's CNG model is already BS IV compliant and the Company is working on its diesel counterpart to make it BS IV compliant. The Winner has been upgraded and its performance enhanced. The Company is aggressively working to increase sales of the upgraded Winner by enhancing the distribution network and through sales promotion activities.
- The Company developed and launched a new variant of Ambassador namely Discovery with improved interiors and added customer comforts. In the Mitsubishi range, the Company launched BS IV compliant Pajero and an upgraded version of Montero from the Chennai car plant.
- Increase in lending interest rates by banks affected our sales adversely as most of our vehicles are purchased against bank loans.
- In a major strategic move, the Company has decided to lay major emphasis on development and launch of new vehicles.
- The Company strengthened the CAD-CAE supported research and design centre at Uttarpara. This has started making a positive impact on design and manufacturing of all the Company's products and is expected to give a new direction to the Company's existing and forthcoming offerings.
- The revitalized R&D Centre has started yielding results. The Company has completed the development of a 0.8-tonne cargo pickup as well as a 7 to 9 seater commercial passenger carrier on Ambassador platform, a 9 to 10 seater passenger carrier on Winner

platform and a face-lifted cargo Winner from Uttarpara plant, available in both diesel and CNG models. These vehicles will be launched in the market soon.

- From the Chennai Car Plant, the Company is working on the launch of new generation Pajero Sports Utility Vehicle, 7-seater Outlander, upgraded Montero and some other variants of Cedia as well as Outlander in the current financial year.
- The components business has witnessed development of several new products and signing up of many clients. The benefits have started trickling in and are expected to grow in the current financial year.

During the year under review, several initiatives were launched by the Company to identify, train and empower young managers who are expected to serve as the backbone of the Company's growth plans in the future.

The Chairman pointed out that industrial relations remained cordial at all the three plants of the Company.

The Chairman apprised the members that looking at the current financial year, there were concerns that the Indian economy might not be as buoyant as it was in the period under review. Growth in automobile industry was expected to be moderate. In fact, moderation was already visible. In the April-June 2011 quarter, the auto industry had grown only at 15 % as against the 29 % growth witnessed in the first quarter of 2010-11. According to Society of Indian Automobile Manufacturers reports, the passenger vehicles had grown only by 8.7 % this year.

The Company too had its share of concerns. Kolkata replacement taxi segment had dried-up as the replacement of vehicles older than 15 years was not yet mandatory. In recent central budget announcements, excise duty refund rules for taxi have been changed. As a result, the

refund amount on Ambassador taxi had been reduced significantly whereas it had increased for some competing products. This had affected the Ambassador sales in the commercial application.

However, the Company was committed to overcoming these challenges. As already shared, the Company was launching several new variants and vehicles from all its plants in the current financial year to augment the volumes and sales.

The Chairman further stated that the Company was working in collaboration with a European Company to develop a Euro IV-compliant diesel engine on CRDI platform which was imperative to revive, sustain and boost sales of Ambassador, Winner and their respective variants which had been running with the HM Plus engine for long. The new engine should be ready for use in the current financial year. The CRDI Generation II fuel efficient engine would meet BS IV norms for both passenger and commercial range of vehicles.

The Company would continue to augment its distribution network by setting up new dealerships. Special emphasis was being laid on promotional activities to increase awareness about the Company's products and services in different buyer segments.

The Chairman informed that these measures in conjunction with accent on cost-effective operations and value engineering initiatives were expected to have a positive impact on the Company's performance in the current financial year.

The Chairman's speech gave comfort to the members as they came to know that the Company had taken several initiatives to make the individual business lines profitable by the end of current financial year.

The Chairman thanked all the customers, dealers, suppliers, bankers, financial institutions, employees and all other stakeholders for their support and co-operation and expected their continued patronage.

The Chairman thanked his colleagues on the Board for their continued guidance and support.

7 Adoption of Audited Accounts for the year 2010-11

Shri Joytirindra Narayan Kundu proposed and Shri Soumyendra Narayan Kundu seconded the following Resolution as an Ordinary Resolution:-

"RESOLVED THAT the Audited Accounts of the Company for the year ended 31st March, 2011 together with the Directors' Report as also the Auditors' Report thereon as circulated to all the members of the Company and now laid before this meeting, be and each one of the same are hereby received, considered and adopted."

Before putting the aforesaid resolution to vote the Chairman invited queries from members on the audited accounts for the financial year 2010-11 together with Directors' Report and the Auditors' Report thereon.

Thereupon, a number of members namely Sarvashri Manoj Kumar Gupta, Jagat Pal Khanna, Sarbananda Gattani, Kashmir Lal Mallik, Vikram Singh Sethia, Shyam Lal Rathi, Bijan Singh Srimal, Krishnendu Das, Sujit Pal and Mahesh Kumar Bubna spoke in the meeting and among the queries raised were those relating to Company's performance, its future plans and prospects, increase in promoters' shareholding, turning around of the Company and full utilization of Uttarpara Plant. Some suggestions on the working of the Company were also offered by the members in the meeting.

Upon conclusion of members' queries/suggestions, the Chairman replied to the satisfaction of the members present, all the questions raised by them and gave assurance to consider some of the suggestions offered by the members.

The aforesaid resolution was thereafter put to vote and was carried by majority by show of hands - only one member voted against.

8 Re-appointment of Shri C. K. Birla as Director of the Company liable to retire by rotation

Shri Manoj Kumar Gupta proposed and Shri Mahesh Kumar Bubna seconded the following Resolution as an Ordinary Resolution:-

"RESOLVED THAT Shri C. K. Birla, Director who retires by rotation at this Annual General Meeting and who being eligible, offers himself for re-appointment, be and is hereby appointed a Director of the Company liable to retire by rotation."

When put to vote the resolution was carried by majority by show of hands - only one member voted against.

9 Re-appointment of Shri A. Sankaranarayanan as Director of the Company liable to retire by rotation

Shri Joytirindra Narayon Kundu proposed and Shri Manoj Kumar Gupta seconded the following Resolution as an Ordinary Resolution:-

"RESOLVED THAT Shri A. Sankaranarayanan, Director who retires by rotation at this Annual General Meeting and who being eligible, offers himself for re-appointment, be and is hereby appointed a Director of the Company liable to retire by rotation."

When put to vote the resolution was carried unanimously by show of hands.

10 Re-appointment of Auditors of the Company

Shri Chaitanya Swarup Gilra proposed and Shri Alok Kumar Pal seconded the following resolution as an Ordinary Resolution:-

"RESOLVED THAT Messrs. S. R. Batliboi & Co., (Registration No.301003E) Chartered Accountants, the retiring Auditors, be and they are hereby re-appointed as Auditors of the Company under Section 224 and other applicable provisions, if any, of the Companies Act, 1956 to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company at a gross remuneration of Rs.25,00,000/- (Rupees Twenty-five lacs only) per annum exclusive of reimbursement of out-of-pocket expenses, as may be incurred by the Auditors on travelling, boarding and lodging at the Company's factories and its other branches outside Kolkata which shall also be borne by the Company and that the said remuneration be paid to the Auditors in four equal quarterly installments."

When put to vote the resolution was carried by majority by show of hands – only one member voted against.

11 Vote of thanks

There being no other business to be transacted, the meeting terminated with a vote of thanks to the Chair.

Sd/-

CHAIRMAN