



HINDUJA FOUNDRIES

MINUTES OF THE 53RD ANNUAL GENERAL MEETING OF HINDUJA FOUNDRIES LIMITED HELD ON THURSDAY, SEPTEMBER 26, 2013, AT 10.00 A.M, AT RANI SEETHAI HALL, 603, ANNA SALAI, CHENNAI – 600 006.

PRESENT:

Mr. R. Seshasayee	Chairman
Mr. G.R.V. Rajan	Managing Director & CEO
Mr. F. Sahami	Director
Mr. Sridhar Venkiteswaran	Director

BY INVITATION

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

IN ATTENDANCE

Mr. K R Ravishankar	Chief Financial Officer
Mr. S.Ramachandran	G.M. (Corp Finance)
Mr. Govind M Joshi	Company Secretary

MEMBERS

988 members in person and 61 members by proxy.

Mr. R.Seshasayee, Chairman, occupied the Chair.

Chairman called the meeting to order as requisite quorum was present.

For HINDUJA FOUNDRIES LIMITED

Chairman then informed the shareholders that the Register of Directors' Shareholdings maintained under Section 307 of the Companies Act, 1956 was available at the commencement of the annual general meeting and it would remain open and accessible during the continuance of the said meeting to the shareholders of the Company.

Thereafter, with the consent of the members present, the notice dated 17th July 2013, convening the annual general meeting of the Company was taken as read.

Chairman, then requested, the Company Secretary to read out the Auditors' Report to the shareholders. The Auditors report was then read out by the Company Secretary. The annexure to the Auditors report was taken as read with the consent of all the members present at the meeting.

Thereafter, the Chairman addressed the members and highlighted the global and Indian economic scenario. He informed that the global financial crisis, which began about five years ago, is not fully over. While the USA and Western Europe are seeing signs of recovery, the emerging markets appear to be in the midst of severe recession. He added that though the Indian economy showed tremendous resilience in initial years of these crises, the growth has been sluggish particularly in previous year with GDP at 5%. The negative sentiment in the economy has impacted two principal drivers of growth i.e. investment and consumption. Further, high inflation, expansionary subsidies, significant deceleration in exports, large fiscal and current account deficits in Indian economy and continuing global recessionary conditions continue to be a cause of concern.

The Chairman also briefed the shareholders covering various aspects such as (i) Status of Indian Automotive Industry; (ii) Performance of the Company for the Financial Year 2012-2013; (iii) Subscription by Ashok Leyland Limited to Preference Shares; (iv) Machine Shop Facility; (v) Commissioning of Imported Equipment (vi) Status of Mission New Leaf etc.,

Thereafter, the Chairman requested the Managing Director & CEO to make a presentation on the performance of the Company during the year under review.

Accordingly, Mr.G.R.V. Rajan, Managing Director & CEO made a brief presentation covering:

- (a) financial highlights;
- (b) reasons for operating losses;
- (c) status of mission new leaf;
- (d) long term initiatives to make the Company sustainable etc.,

MD & CEO also briefed the members on the way forward and the ambitious plans of the Company for a turnaround.

After a brief address by the Managing Director & CEO, the Chairman took up the business mentioned in the notice seriatim



ORDINARY BUSINESS:

ITEM 1:

ADOPTION OF ACCOUNTS

The Chairman moved the following resolution as an Ordinary Resolution:

"RESOLVED THAT the audited Statement of Profit and Loss for the 6 months period ended 31st March, 2013 and the Balance Sheet as at that date together with the reports of the Board of Directors and the Auditors thereon as presented to the meeting, be and are hereby approved and adopted".

Mr. V Govindan, a member (Client ID No.33908354) seconded the same.

Thereafter, before putting the resolution to vote, Chairman requested such of those members who have any queries, comments or suggestions on the performance of the Company, to please come forward and make their observations and requested the members to confine their observations/ questions to the Company's operations and the annual accounts.

Chairman further informed the members that the proceedings of this meeting are being recorded to enable the Management / Senior Executives of the Company to take note of the queries / clarifications raised by the members for future reference and to take necessary action wherever required.

Mr. Ramalingam Vidya Shankar (DP ID: 44700), a shareholder, holding three equity shares of the Company, raised his queries as under:

- a) Reasons for holding the annual general meeting in September 2013 when the audited accounts were approved by the Board during May 2013?
- b) Non-attendance of Mr.D.G.Hinduja, Co-Chairman of the Company to the AGM;
- c) Material in transit – why is it accounted in the books of accounts?
- d) Details of fixed and floating rate of interest?
- e) Plans of the Company for a turn around?
- f) Explanation pertaining to remuneration paid to the Managing Director despite accumulated losses?
- g) Non furnishing of quantitative particulars in respect of inventories?



h) Difference in subscribed and issued share capital?

Mr. Ramalingam Vidhaya Shankar expressed that he would like to dissent all the resolutions that would be moved at this AGM.

Thereafter, another shareholder Mr. Srinivasulu, (Client Id 14710889) expressed concerns on the performance of the Company particularly with reference to the sales of the current year vis a vis the previous year and raised the following queries:

(i) Non-payment of dividend during the preceding five years;

(ii) Details of employee benefits and finance costs;

(iii) Whether R & D expenditure undertaken by the Company are reasonable and useful for the development of the Company?

(iv) To what extent tax litigations are pursued by the Company?

Chairman, while appreciating their good participation in the proceedings and seeking clarifications by analyzing the performance of the Company, replied to the queries raised by the shareholders, as follows:

a) Though the audited accounts were approved in May 2013, the AGM had to be convened in September 2013 due to various strategic business and investment decisions that were needed to be taken by the Board which the Board felt, might need shareholders prior approval.

b) As Mr.D. G. Hinduja was indisposed , he had to cancel his trip to attend the AGM.

c) Material- in- transit are Company's stocks and hence they are duly accounted in the books of accounts.

d) On remuneration paid to the Managing Director, the Chairman explained that getting competent CEOs has become a difficult task due to the scarcity of talents and therefore the Company needs to pay market related remuneration to retain talented and competent person as Managing Director.

e) As the Company had been facing many challenges on account of shortfall in demand, non-availability of power etc., the operations had been adversely affected, resulting in financial losses and hence inability to pay dividends.

f) The expenditure incurred on R&D is for the development of new products

g) The tax litigations of the Company are pursued by the Company vigorously.



As there were no further queries by the shareholders and as they were satisfied with the replies of the Chairman, the resolution was then put to vote and on a show of hands, the Chairman declared the same as passed unanimously.

ITEM 2:

RE-APPOINTMENT OF Mr. R. SESHASAYEE AS A DIRECTOR

At this stage, Mr.R.Seshasayee, being interested in this resolution, vacated the Chair and requested Mr.F. Sahami, Director, to occupy the Chair to conduct the proceeding in item No 2.

Accordingly, Mr.F. Sahami, occupied the Chair and requested a member to move the resolution as an Ordinary Resolution;

Mr. SANJAY CHANDAK, a member (DP ID No.302189) moved the following as an Ordinary Resolution:

“RESOLVED THAT Mr. R.Seshasayee, who retires by rotation under Article 106 of the Articles of Association of the Company and being eligible for re-appointment, be and is hereby re-appointed as a Director liable to retire by rotation.”

Mr. P. SENTHIL KUMAR, a member (FOLIO NO.20596) seconded the resolution.

The resolution was put to vote and on a show of hands, the Chairman declared the same as passed unanimously.

At this stage, Mr.F.Sahami vacated the Chair and Mr. R. Seshasayee, re-occupied the chair and conducted further proceedings of the meeting.

ITEM 3

RE-APPOINTMENT OF Mr. D.G. HINDUJA AS A DIRECTOR

Mr. S. RAVICHANDRAN, a member (Folio No.20707) proposed the following as an Ordinary Resolution:

“RESOLVED THAT Mr. D.G. Hinduja, who retires by rotation under Article 106 of the Articles of Association of the Company and being eligible for re-appointment, be and is hereby re-appointed as a Director liable to retire by rotation.”

Mr. P. SENTHIL KUMAR (FOLIO NO.20596) seconded the resolution.

The resolution was put to vote and on a show of hands and the Chairman declared the same as passed unanimously.



ITEM 4

RE-APPOINTMENT OF Mr. SRIDHAR VENKITESWARAN AS A DIRECTOR

Mr. V GOVINDAN, a member (Client ID No.33908354) proposed the following as an Ordinary Resolution:

"RESOLVED THAT Mr. Sridhar Venkiteswaran, who retires by rotation under Article 106 of the Articles of Association of the Company and being eligible for re-appointment, be and is hereby re-appointed as a Director liable to retire by rotation."

Mr. SANJAY CHANDAK (DP ID No.302189) seconded the resolution.

The resolution was put to vote and on a show of hands, the Chairman declared the same as passed unanimously.

ITEM 5

APPOINTMENT OF STATUTORY AUDITORS

Mr. P SENTHILKUMAR, a member (Folio No.20596) proposed the following as an Ordinary Resolution:

"RESOLVED THAT M/s. B S R and Company, (Firm Registration No. 128900W), Chartered Accountants, Chennai be and are hereby appointed as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting and authorize the Board of Directors of the Company to fix their remuneration."

Mr. L SHREEDHARAN, a member (Folio No.21120) seconded the resolution.

The resolution was put to vote and on a show of hands, the Chairman declared the same as passed unanimously.



SPECIAL BUSINESS:

ITEM 6

APPOINTMENT OF Mr. G.R.V.RAJAN AS A DIRECTOR

Mr. V GOVINDAN, a member (Client ID No.33908354) proposed the following as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 257 of the Companies Act, 1956 , Mr. G.R.V. Rajan, be and is hereby appointed as a Director of the Company .

Mr. S. RAVICHANDRAN (Folio No.20707) seconded the resolution.

The resolution was put to vote and on a show of hands, the Chairman declared the same as passed unanimously.

ITEM 7

APPOINTMENT OF Mr. G.R.V.RAJAN AS MANAGING DIRECTOR OF THE COMPANY

Mr. SANJAY CHANDAK, a member (DP ID No.302189) proposed the following as a Special Resolution:

"RESOLVED THAT pursuant to the the provisions of Section 198, 269, 309, 310, 311, 317 Schedule XIII and other applicable provisions of the Companies Act, 1956 and the Memorandum and Articles of Association and subject to the approval of the Central Government as may be required, consent of the Company be and is hereby accorded for the appointment of Mr. G.R.V.Rajan as the Managing Director and CEO of the Company on payment of such remuneration for a period not exceeding 3 years as detailed below:

REMUNERATION

A. SALARY AND ALLOWANCES

I. Basic Salary	Rs. 2,20,000 per month
II. Special Allowance	Rs. 4,03,240 per month
III. Conveyance Allowance Maintained Car.	Rs. 1,10,000 per month or Company



The Managing Director will be eligible for future increments to salary and allowances depending upon his performance and contribution to the Company as judged by the Management from time to time.

B. PERQUISITES

In addition to the above, MD shall also be entitled to perquisites like House Rent Allowance at 60% of the basic salary per month, reimbursement of domiciliary medical expenses on actual basis for self and family, coverage under Company's major medical scheme for serious illness requiring hospitalization subject to the ceiling of expenses fixed by the Management, group term insurance as per the rules in force, leave travel assistance (LTA) at one month's base salary plus Rs.8,000 for full calendar year of service subject to other conditions as outlined in the Company's LTA scheme, Company's contribution to Provident Fund as per Rules applicable thereto, gratuity as per the rules of the scheme, superannuation allowance at Rs.33,000/- per month.

Perquisites shall be valued as per Income Tax Rules, wherever applicable. In the absence of any such Rule, perquisites shall be valued at actual cost.

C. ANNUAL PERFORMANCE PAY

MD shall be eligible for a maximum annual performance pay of Rs.25 lakhs for a full financial year based on the performance of the Company and the incumbent's contribution and performance.

D. AGE OF RETIREMENT – 58 Years.

E. PAYMENT OF MINIMUM REMUNERATION IN THE EVENT OF LOSS OR INADEQUACY OF PROFITS

In the event of loss or inadequacy of profits in any financial year, MD shall be eligible to receive the above remuneration, as revised from time to time. Any amount paid in excess of the limits, if any, prescribed under the Companies Act, 1956 or other applicable law/ Rules/ Regulations shall be waived as not recoverable from the incumbent.

Mr. P SENTHILKUMAR (Folio No.20596) seconded the resolution.

The resolution was put to vote and on a show of hands, the Chairman declared the same as passed unanimously.

As there were no other subject for discussion, Chairman thanked the shareholders for their active support to the Company and declared the meeting as closed.

For HINDUJA FOUNDRIES LIMITED


GOVIND M. JOSHI
Company Secretary