



Hinduja Foundries Limited

Registered Office : Kathivakkam High Road,
Ennore, Chennai - 600 057

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the Fifty Third Annual General Meeting of Hinduja Foundries Limited will be held on Thursday, September 26, 2013 at 10.00 A.M. at Rani Seethai Hall, 603, Anna Salai, Chennai 600 006 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Statement of Profit and Loss for the year ended 31st March, 2013 (6 months) and the Balance Sheet as at that date together with the Reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in the place of Mr. R. Seshasayee, who retires by rotation under Article 106 of the Articles of Association of the Company and who, being eligible, offers himself for re-appointment.
3. To appoint a Director in the place of Mr. D G Hinduja, who retires by rotation under Article 106 of the Articles of Association of the Company and who, being eligible, offers himself for re-appointment.
4. To appoint a Director in the place of Mr. Sridhar Venkiteswaran, who retires by rotation under Article 106 of the Articles of Association of the Company and who, being eligible, offers himself for re-appointment.
5. To appoint Auditors and fix their remuneration. In this connection, to consider and if thought fit, to pass the following as an Ordinary Resolution:
"RESOLVED THAT Messrs B S R and Company, (Firm Registration No. 128900W), Chartered Accountants, Chennai be and are hereby appointed as Auditors of the Company to hold such office until the conclusion of the next Annual General Meeting and authorize the Board of Directors of the Company to fix their remuneration."

SPECIAL BUSINESS

6. To consider and, if thought fit, to pass with or without modification(s), the following resolution 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. "
7. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:
"RESOLVED THAT pursuant to 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 Rs. 1,10,000 per month or Company Maintained Car.

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, the Managing Director 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.

Registered Office :
Kattivakkam High Road,
Ennore, Chennai – 600 057
Chennai
Date: July 17, 2013

By Order of the Board

GOVIND M JOSHI
Company Secretary

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ABOVE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES, IN ORDER TO BE EFFECTIVE, MUST BE LODGED WITH THE COMPANY ATLEAST FORTY EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**

Revenue Stamp should be affixed on the Proxy Form. Forms which are not stamped are liable to be considered invalid. It is advisable that the proxy holder's signature may also be furnished in the Proxy Form, for identification purposes.

2. Members may please bring the Admission Slip duly filled in and hand over the same at the Entrance of the Meeting Hall.
3. Members who hold shares in dematerialized form are requested to quote Depository Account Number (Client ID No.) for recording of attendance at the meeting.
4. Corporate Members / FIIs / Financial Institutions are requested to send a duly certified copy of the Board Resolution/Power of Attorney / such other documents authorizing their representative to attend and vote at the Annual General Meeting well in advance.
5. The Register of Members and Share Transfer Books of the Company will remain closed from September 19, 2013 to September 26, 2013 (both days inclusive).
6. The relevant Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of Special Business is annexed hereto.
7. Consequent to the amendment to Section 205A of the Companies Act, 1956 and introduction of Section 205C by the Companies (Amendment) Act, 1999, the amount of dividends remaining unclaimed for a period of seven years is to be transferred to the Investor Education and Protection Fund. Accordingly, the dividend declared for all the financial years ended upto March 31, 2005 has been transferred to Investor Education and Protection Fund. The amount so transferred cannot be claimed either from the Company or from the Fund. Members who have not encashed the dividend warrants declared for the financial year ended 2007-'08 as given below are requested to write to the Company giving the necessary details.

Details of dividend declared for the Financial Year 2007-'08:

Financial Year	Declared on	Rate of Dividend	Amount of Dividend per Share (Face Value Rs. 10 per Share)
2007 – '08	31.07.2008	20%	Rs. 2/- per Share

8. Pursuant to Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amount lying with Companies) Rules, 2012, the Company shall provide / host the required details of unclaimed amount referred to under Section 205 C (2) of the Companies Act, 1956 to the Ministry of Corporate Affairs (MCA) in the relevant form every year.
9. Members holding shares in physical form and desirous of making a nomination in respect of their shareholding in the Company, as permitted under Section 109A of the Companies Act, 1956, are requested to submit to the Registered Office or to the Company's Registrar & Transfer Agent, M/s. Integrated Enterprises (I) Ltd., II Floor, "Kences Towers", No. 1, Ramakrishna Street, Off North Usman Road, T. Nagar, Chennai 600 017 in the prescribed Form 2B in duplicate (which will be made available on request).
Members who are holding shares in Demat Form, are requested to file Nomination Forms (Form 2B) in respect of their shareholdings to the Depository Participant with whom Demat accounts are being maintained.
10. As a measure of economy, copies of the Annual Report will not be distributed at the Annual General Meeting. Members are, therefore requested to bring their copies of the annual report to the meeting.
11. Members are requested to notify immediately of any change in their address and bank accounts to the Registrar and Share Transfer Agents. Members holding shares in electronic form are advised to notify any of the above changes to the concerned Depository Participant.
12. The Annual Report 2012-'13 of the Company circulated to the Members of the Company, will be made available on the Company's website at www.hindujafoundries.com and also on the website of the respective Stock Exchanges at www.bseindia.com and www.nseindia.com.
13. In terms of Clause 49(IV)(G) of the Listing Agreement with the Stock Exchanges, brief notes on the background and the functional expertise of the Directors proposed for re-appointment are furnished below together with the details of companies in which they are Directors and the Board Committees of which they are Members.

MR. R. SESHASAYEE

Mr. R Seshasayee, aged 65 years is a Chartered Accountant. He joined Ashok Leyland in January 1976 and was appointed as the Deputy Managing Director in 1993. He was appointed as Managing Director in April 1998 and rose to become Executive Vice Chairman in 2011, which position he held at the time of his retirement in March 2013.

Mr. Seshasayee has been an active member of the National Council of the Confederation of Indian Industry (CII), the premier industry association in India and was the President of CII during 2006 –'07. He was also the President of the Society of Indian Automobile Manufacturers. He has served as a Member/ Chairman of various trade and professional committees both at national and international levels.

Details of other Directorships / Committee Memberships held by him:

DIRECTORSHIP	COMMITTEE MEMBERSHIP
NON EXECUTIVE VICE-CHAIRMAN	
Ashok Leyland Limited	Shareholders / Investors Grievance Committee Investment Committee Technology Committee
EXECUTIVE VICE-CHAIRMAN	
Hinduja Energy India Limited	Audit Committee (Chairman)
CHAIRMAN	
Ashley Airways Limited (in members voluntary winding up)	
Ashley Alteams India Limited	
Hinduja Leyland Finance Limited	Credit Committee Nomination Committee Fund Raising Committee
IndusInd Bank Limited	Committee of Directors (Loans Disbursal) (Chairman) Nomination Committee (Chairman) Finance Committee Human Resources Committee Compensation Committee
DIRECTOR	
Hinduja Group India Limited	
Hinduja National Power Corporation Limited	Audit Committee (Chairman)
Infosys Technologies Limited	Audit Committee (Chairman) Risk Management Committee
Houghton International Inc., USA	Audit Committee (Chairman)

Mr.R. Seshasayee does not hold any shares in the Company as per the details furnished by him.

MR. D G HINDUJA

Mr. D G Hinduja, aged 42 years, is a graduate in Business Management and has international business experience. He is a member of the Hinduja Family and is a Director of the Company since 1998.

Details of other Directorships held by him:

COMPANY NAME	DESIGNATION
Ashok Leyland Limited	CHAIRMAN
Hinduja Automotive Ltd. (Regd. In UK)	CO-CHAIRMAN
Hinduja Group India Limited	DIRECTOR
Hinduja National Power Corporation Limited	DIRECTOR
Defiance Technologies Limited	DIRECTOR
Hinduja Leyland Finance Limited	DIRECTOR
Amas NP Holdings Ltd. (Regd. In UK)	DIRECTOR
Amas NP Utilities Ltd. (Regd. In UK)	DIRECTOR

Mr.D G Hinduja is not a Committee Member of any other Company and does not hold any shares in the Company as per the details furnished by him.

MR. SRIDHAR VENKITESWARAN

Mr. Sridhar Venkiteswaran, aged 47 years, is an entrepreneur and a key founding member and Director of the India based, Avalon Group consisting of multiple entities along the Information Services Value Chain ranging from Strategy and Performance Improvement Consulting, Business Research and Marketing analytics serving global clients with Group revenues of \$30 mn and employing over 1200 people.

In a career spanning over 20 years, Mr. Sridhar Venkiteswaran has developed lasting relationships with industrialists and senior management professionals in companies / groups like Dow Chemical, DSM, TVS & Sons, Ashok Leyland, Hero Group, Claris Lifesciences, DCM Shriram Consolidated, Rane Group, Asahi India, Deepak Fertilisers etc., by working with them on strategy and other consulting engagements.

Details of other Directorships held by him:

COMPANY NAME	DESIGNATION
OC & C Strategy Consultants India Private Limited	DIRECTOR
Rockman Industries Private Limited	DIRECTOR
Lifelong India Private Limited	DIRECTOR

Mr. Sridhar Venkiteswaran is not a Committee Member of any other Company and does not hold any shares in the Company as per the details furnished by him.

None of the aforesaid Directors are related to each other or to any other Director on the Board of the Company. None of the other Directors except the respective appointees are concerned or interested in the above resolutions.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

The following explanatory statement sets out all material facts relating to the special business mentioned in the accompanying notice dated July 17, 2013 and shall be taken as forming part of the notice.

ITEM 6:

Pursuant to Section 260 of the Companies Act, 1956 and in compliance of Article 101 of the Articles of Association, the Board of Directors appointed Mr. G.R.V. Rajan as an Additional Director of the Company w.e.f. 24.06.2013 to hold his office until the conclusion of the ensuing Annual General Meeting in the first stance and as Managing Director (Designate) and CEO, vide Circular Resolution dated June 24, 2013 as approved by all the Directors of the Company. To regularise his appointment as Director of the Company, necessary notices in this regard has been received from a member pursuant to Section 257 of the Companies Act, 1956.

ITEM 7:

At the Board Meeting held on July 17, 2013, Mr.G.R.V. Rajan was appointed as the Managing Director and CEO of the Company subject to the approval of the shareholders as specified in the special resolution in item No 7 of the Special Business. He is not liable to retire by rotation.

He does not hold Directorship / Committee Membership in any other Company and also does not hold any shares in the Company as per the details furnished by him. Statement pursuant to Clause (iv) of proviso to sub paragraph C of Paragraph 1 of Section II of Part II of Schedule XIII to the Companies Act, 1956 is furnished below.

The Board recommends the resolution for the consideration of the members.

Except Mr.G.R.V. Rajan, none of the other Directors are interested or concerned in the resolution.

This may be deemed to be the information memorandum under Section 302 of the Companies Act, 1956.

STATEMENT PURSUANT TO CLAUSE (IV) OF PROVISIO TO SUB PARAGRAPH C OF PARAGRAPH 1 OF SECTION II OF PART II OF SCHEDULE XIII TO THE COMPANIES ACT, 1956.

I. GENERAL INFORMATION

(1) Nature of industry	Engineering - Foundry manufacturing ferrous and non-ferrous castings		
(2) Year of Commencement of commercial production	1961		
(3) In case of new companies, expected date of commencement of activities	Not Applicable		
(4) Financial performance		Rs. Lakhs	
	YEAR	SALES	PAT
	2010-11	55116	747.65
	2011-12 (18 months)	102936	(29134)
	2012-13 (6 months)	30422	(10378)
(5) Export performance	YEAR	Rs. Lakhs	
	2010-11	123.61	
	2011-12 (18 months)	3647.92	
	2012-13 (6 months)	137.91	
(6) Foreign investments or collaborations, if any	Hinduja Automotive Limited (formerly LRLIH Limited) UK holds 1,48,14,609 Equity Shares of the Company, representing 51.56% of the paid-up equity capital of the Company.		

II. INFORMATION ABOUT THE APPOINTEE

(1) Background details	<p>Mr. G.R.V. Rajan comes with a rich experience of over 30 years in manufacturing, marketing and business development in reputed companies including managing his own entrepreneurial venture.</p> <p>In his last employment, he was 'President – Energy Business' at M/s. Sundaram Clayton Limited. Prior to this, he was 'Profit Centre Head – Die Casting Division' within Sundaram Clayton Limited.</p> <p>He was also a Managing Partner in one of the earliest SME's to set up an export oriented unit.</p> <p>In addition, he has immensely contributed in the areas of Production and Marketing occupying Senior positions with M/s. TI Cycles of India.</p>
(2) Past remuneration	Nil
(3) Recognition or awards	B.Tech (IIT – Benaras) PGDM (IIM –A)
(4) Job profile and his suitability	As Managing Director and CEO of the Company he will be responsible for the management of the Company, subject to the superintendence, guidance and control of the Board of Directors of the Company. Taking into account his previous experience, educational background, knowledge about the industry and the nature and size of operations of the Company, he is a fit and proper person to be appointed as the Managing Director and CEO of the Company.
(5) Remuneration proposed	Refer Resolution Number : 7
(6) Comparative remuneration profile with respect to industry, size of the company profile of the position and person.	Taking into consideration the size of the Company, the profile of the appointee, the responsibilities shouldered on him and the industry bench marks, the proposed remuneration is reasonable and commensurate with the remuneration packages paid in the comparable companies.
(7) Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any	Nil

III. OTHER INFORMATION

(1) Reasons for loss or inadequacy of profits	<p>The Company's performance has been impacted due to sharp fall in demand from the Company's major customers, increase in power costs, material costs not being adequately compensated by the customers.</p> <p>The impact of the global recession on the Indian Automobile Industry especially the Commercial Vehicles segment and the recovery in the Foundry segment in particular has been slow.</p>
(2) Steps taken or proposed to be taken for improvement	Improved productivity and cost control measures have been put in place. The Company has initiated various steps to improve its operational performance/ liquidity, removing bottlenecks relating to its projects, improving the net worth including raising Capital from the Promoters through issue of 9%, Redeemable, Non-Convertible, Cumulative Preference Shares aggregating to Rs.300 Crores.

(3) Expected increase in productivity and profits in measurable terms.	Considering the prevalent volatile conditions in the Automobile Industry, the turnover and profitability are not precisely predictable. However, based on the current business plans, strict cost control measures, availability of banking limits and continued support from the Promoters, the Company believes that it would be able to sustain the volatile market conditions and emerge successfully in terms of good turnover and profits in the days to come.
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IV. DISCLOSURES

(1) The shareholders of the Company shall be informed of the remuneration package of the managerial person	Disclosed
(2) The following disclosures shall be mentioned in the Board of Directors Report under the heading "Corporate Governance", if any, attached to the Annual Report :	
a. All elements of remuneration package such as salary, benefits, bonuses, stock options, pension, etc., of all the Directors:	Disclosed
b. Details of fixed components and performance linked incentives along with the performance criteria:	Disclosed
c. Service contracts, notice period, severance fees:	Disclosed
d. Stock Option details:	The Company has not issued any Stock Option.

The Company has not defaulted in the repayment of any of its debts.

Registered Office :
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Chennai
Date: July 17, 2013

By Order of the Board

GOVIND M JOSHI
Company Secretary