

AUTOMOTIVE AXLES LIMITED

REGISTERED OFFICE:
HOOTAGALLI INDUSTRIAL AREA, OFF HUNSUR ROAD, MYSORE - 570 018.

MINUTES OF PROCEEDINGS OF THE THIRTIETH ANNUAL GENERAL MEETING OF THE MEMBERS OF AUTOMOTIVE AXLES LIMITED HELD ON TUESDAY THE 17th JANUARY, 2012 AT 12.30 PM AT THE REGISTERED OFFICE OF THE COMPANY AT HOOTAGALLI INDUSTRIAL AREA, OFF HUNSUR ROAD, MYSORE - 570018

Presents:

Dr. B N Kalyani, Chairman
Mr. Pedro N Ferro, Director
Mr. B B Hattarki, Director
Mr. Prabhakar B C, Director
Mr. Satish Sekhri, Director
Mr. Ashok Rao, Whole Time Director
Mr. S. Ramkumar, Company Secretary

Invitees:

Mr. Jeffrey Craig, Chief Financial Officer, Meritor USA
Ms. Mary Lehmann, Sr.VP, Treasury, Tax, Corp. Dev. and Strategy, Communications and Investor Relations, Meritor USA
Mr. Chris Villavarayan, Managing Director - Meritor & CEO - MHVS(I)L
Mr. S Raghunathan, Vice President & Executive Director, MHVS(I)L

Representations (Under Section 187 of the Companies Act 1956)

Dr. B N Kalyani - Representing BF Investments Ltd., Pune
Mr. Pedro N Ferro - Representing Meritor HVS LLC, USA



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Total number of Members present in person - 17
There was no proxy.

The Chairman welcomed the Members present and declared that the requisite quorum was present and the meeting was properly convened.

The Chairman introduced to the members present the newly appointed Director Mr. Pedro N Ferro who represents Foreign Promoter, Meritor HVS LLC, USA, and Mr. Jeffrey Craig, Chief Financial Officer, Meritor USA and Ms. Mary Lehmann, Sr.VP, Treasury, Tax, Corp. Dev. and Strategy, Communications and Investor Relations, Meritor USA

The Chairman also declared that, as required under Section 187 of the Companies Act, 1956 2 representations from bodies corporate including one representation from foreign collaborator had been received representing 10,735,081 Equity Shares.

The Chairman informed that the Statutory Book and Registers for inspection as required by the Companies Act, 1956 are kept for inspection during continuance of the meeting.

Notice of the Meeting

With the consent of the members present, the Notice convening the Meeting already circulated among the members was taken as read.

Chairman requested Mr. Suresh Ganachari, to read the Auditors' Report. Mr.Suresh Ganachari read the auditor's report.

Chairman Address

The Chairman, in his address to the Members, shared the strategic decisions of the company, business diversification plans, and technological improvements. The Chairman also shared with the members the future prospects of the Business.



CHAIRMAN'S
INITIALS

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Approval of Accounts for the year ended 30th September, 2011

The Chairman presented to the members the Annual Accounts for the financial year ended 30th September, 2011 and invited questions from the members on the working of the Company during the year under review.

Mr. Sagare G C, a small shareholder appreciated and thanked the Board of Directors for the growth achieved and dividend declared. He had query on our Technological Front i.e., what is meant by Green Axle and he was satisfactorily explained by the Chairman that any fuel efficient product is called Green Product and as the Axle is fuel efficient it is called Green Axles

Mr. Purushothaman R, suggested couple of concepts which are as follows:


There should be publication of Axles and Brakes business separately as segment reporting for which Chairman explained that AAL does not wish to have Axles and Brakes as 2 different segments of business, hence it is combined.

Next, he suggested that AAL should post to the shareholders a letter once in 6 months, on progress being made during the period so that the shareholders get updated regularly about the performance of the company.

Thereafter, Chairman took up the businesses as stated in the Notice as follows:

Chairman moved the following resolution as an ordinary resolution and Mr. Sagare G C, seconded the Resolution. The resolution was put to vote by show of hands and declared as carried unanimously.

"Resolved that the Balance Sheet of the Company as at 30th September 2011, and Profit and Loss Account for the year ended on that date together with the Reports of the Directors and Auditors thereon be and the same are hereby received and adopted"


CHAIRMAN'S INITIALS

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Approval of Dividend

Proposed by Chairman and seconded by Mr. Jagannath T.M, the following resolution was put to vote by show of hands and declared as carried unanimously

"Resolved that the final dividend @ Rs. 10.00 per share of Rs. 10.00 as recommended by the Board, for the year ended 30th September 2011, be paid to the members of the Company, whose name appear in the Register of members/beneficial owners' list as on 17th January 2012, be and is hereby approved."

Re-appointment of Mr. B. B. Hattarki

Proposed by Chairman and seconded by Mr. Ravindranath M R the following resolution was put to vote by show of hands and declared as carried unanimously

"Resolved that Mr. Bhalachandra B Hattarki be, and is hereby appointed as a Director of the Company liable for retirement by rotation."

Appointment of Mr. Ashok Rao as Director

Proposed by Chairman and seconded by Mr. Sagare G C, the following resolution was put to vote by show of hands and the resolution was carried unanimously.

Resolved that Mr. Ashok Rao, be, and is hereby appointed as a Director of the Company liable for retirement by rotation."

CHAIRMAN'S INITIALS
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Appointment of Auditors

Proposed by Chairman and seconded by Mr. Varadraj Paidyar, the following resolution was put to vote by show of hands and declared as carried unanimously.


"Resolved that M/s. Deloitte Haskins and Sells (Chennai), (ICAI Reg.No.008072S) Chartered Accountants, Bangalore, be and they are hereby, appointed Auditors of the Company, to hold office from conclusion of this meeting until conclusion of the next Annual General Meeting and that the Board of Directors, be and is hereby authorised to fix their remuneration for the period".

SPECIAL BUSINESS

Appointment of Mr. Ashok Rao as President & Wholetime Director

Proposed by Chairman and seconded by Mr. Jagannath T M, the following resolution was put to vote by show of hands and declared as carried unanimously.

"Resolved that pursuant to the provisions of Section 198, 269, 309, 310 read with Schedule XIII, and other applicable provisions; if any, of the Companies Act, 1956, as amended, the Company accords its consent and approval to the appointment of Mr. Ashok Rao, President & Wholetime Director of the Company, for a period of five years, effective from 25.07.2011, on the terms and conditions set out below:


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Component	Previous	Proposed - New Contract
		Eff. 25.07.2011
Basic Salary	Rs. 2,90,000 per month	Rs. 3,20,000 per month,
House Rent Allowance (40% of Basic)	Rs. 1,16,000 per month	Rs. 1,28,000 per month
Professional Development Expenses	Rs. 1,200 per month	Nil
Education Allowance	Rs. 1,200 per month	Rs. 15,000 per month
House Upkeep Allowance	Rs. 1,200 per month	Nil
Attire Allowance	Rs. 960 per month	Nil
Special Allowance	Nil	Rs. 16,949 per month
Conveyance	Company car + Driver + Fuel (Max. 200 Ltrs. of Petrol per month)	Company car + Driver + Fuel (Max. 200 Ltrs. of Petrol per month)
Leave Travel Allowance	1 month's Basic Salary PA	1 month's Basic Salary PA
Medical Reimbursement	Rs. 24,167 per month	Rs. 26,667 per month
Provident Fund	12% of Basic Salary per month	12% of Basic Salary per month
Superannuation	15% of Basic Salary per month	15% of Basic Salary per month
Gratuity	As per Gratuity Scheme in force	As per Gratuity Scheme in force
Group Hospitalisation Policy	As per Company Policy	As per Company Policy
GSLI	As per Company Policy	As per Company Policy
Performance Bonus	Rs. 15,00,000 per annum	Rs. 15,00,000 per annum

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VOTE OF THANKS :

The vote of thanks was proposed by one of the members to the Chairman and concluded the meeting.



B N Kalvani
CHAIRMAN OF THE MEETING

7-2-2012

Date :
Place : Pune



CHAIRMAN'S
INITIALS