

MINUTE BOOK

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MINUTES OF THE FIFTIETH ANNUAL GENERAL MEETING OF THE MEMBERS OF GABRIEL INDIA LIMITED HELD ON TUESDAY, AUGUST 21, 2012 AT 2.30 P.M. AT THE AUDITORIUM, GABRIEL INDIA LIMITED, 29TH MILESTONE, PUNE-NASHIK HIGHWAY, VILLAGE KURULI, TALUKA KHED, PUNE-410 501

Present :

Mr. Deepak Chopra	-	Chairman
Mr. Manoj Kolhatkar	-	Managing Director
Mr. Gurdeep Singh	-	Director
Mr. Mahendra Goyal	-	Director

By Invitation :

Mr. Kawal Jaggi	-	Sr. Vice President - Finance
Mr. Anshul Bhargava	-	Company Secretary

81 Members present in person.

1. CHAIRMAN :

Mr. Deepak Chopra, Chairman, presided over the Meeting. Requisite quorum being present, the meeting commenced at 2.30 p.m.

The Chairman informed the members that representations u/s 187 C of the Companies Act, 1956 in respect of M/s Asia Investments Private Limited holding

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71905468 (50.06%) equity shares and M/s Kayaba Industry Company Limited 7937360 (5.53%) shares were tabled and Statutory Books were available for inspection.

With the permission of the shareholders, the Notice convening the Annual General Meeting was considered as read.

2. AUDITORS' REPORT :

Mr. Anshul Bhargava, Company Secretary, read the Auditors' Report.

3. CHAIRMAN'S STATEMENT :

The Chairman addressed the Meeting and delivered his speech in detail, the printed copies of which were circulated to the shareholders.

4. ADOPTION OF ACCOUNTS :

Item No. 1 relates to Adoption of Accounts : -

The Chairman Mr. Deepak Chopra requested Mr. Manoj Kolhatkar to make a presentation on the performance of the Company to the Shareholders.

The Managing Director - Mr. Manoj Kolhatkar made a presentation to the Shareholders of the Company which consisted of the Company Milestones since incorporation, details of the plants of the Company, the awards earned by the Company in the said Financial Year, the Auto Industry growth trends, the applications and valued customers, Corporate Social Responsibility and Green Initiatives and the Strategic Perspective of the Company.

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The Chairman further placed the below mentioned resolution before the Shareholders.

"RESOLVED THAT the Audited Balance Sheet as at March 31, 2012 and the Audited Profit and Loss account for the year ended March 31, 2012, the Auditor's Report thereon and Directors' Report, placed before this Meeting be and are hereby approved."

The resolution was proposed by Mr. Zahur Maniar and duly seconded by Mr. Shangvi

Before putting the resolution to vote, the Chairman invited the Members to offer any comments on the working of the Company during the year under review and said that if they had any questions to ask, he and his colleagues would be glad to answer the same.

Some of the Members addressed the Meeting and congratulated the Board of Directors and the Management for the Completion of 50 glorious years of the Company and their support and guidance for the efficient working of the Company.

Further, they raised queries about Attrition rate of employees , the Countries to which the Company is exporting and the impact of the Dollar appreciation on the Company's imports and exports, They also enquired that if the Company had any policy of giving reminders to shareholders to en-cash the Unpaid and Unclaimed Dividend, if any. They further asked about the Capital Expenditure Program for 2012-13, the performance of the plants and products of the Company in all segments and the Market Share in the domestic and Export Market.

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Some of the Members were also keen to know the details of R& D expenditure of the Company, the Capacity utilization of the Sanand Plant, the details of the Cost Auditors and Internal Auditors of the Company, the reason for the High Interest Cost being paid even when the Long Term debt of the Company had reduced, average cost of borrowing, the reason for the increase in the Cost of Legal and Professional expenses and details of CSR activities.

Some of the Members also requested the Chairman to celebrate the 50th Year of the Company by giving higher rate of dividend from the Company in the years to come and a visit to the manufacturing plant at Parwanoo.

The Chairman thanked them for their keen interest in the affairs of the Company and replied suitably to the questions raised by them and mentioned the below points.

The Chairman congratulated the members for their Company completing 50 years and crossing the 1000 Crore net turnover in this landmark year and thanked them for their support. He further answered all the queries of the Shareholders patiently.

He informed the members that the Company has won the Prestigious 'Golden Peacock Eco- Innovation Award by developing the Hollow Tube McPherson Strut and that the Company had filed 4 patents in the year 2011-12.

He informed the members that the exports of Company grew at a never before rate of 90% over the previous year and the Company was exploring various markets to expand its export business. He further informed them that globally Gabriel was in Top 10 shock absorber manufacturing Companies.

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He also informed them that over the next 3 years the Company plans to invest approximately Rs 20 Crore in various R&D activities, to upgrade existing skills and capabilities. The Company has also acquired a land at Hosur for building another State-of-Art Technology Centre and at present the Company has 3 R&D Centers at Chakan, Nashik and Hosur.

He also answered the query regarding the Attrition rate of the employees and mentioned that the Attrition rate was 7.8% and 25% for the Operating Engineers.

He also informed the members regarding the CSR activity of Gabriel. He mentioned that the Company was supporting CSR activities, in collaboration with SNS Foundation, a CSR arm of parent company, including educational and vocational training programmers.

Further he mentioned that that reason for increase in Legal and Professional Fees was due to increase in management fees paid to Anand Automotive Limited for the usage of Brand "GABRIEL" owned by Anand Automotive Limited, start up of Internal audit of the Company during the year along with various other services being provided by them in the field of Operations, Human Resource, Finance and taxation, business development, excellence in manufacturing, infrastructure development, environmental, health and safety measures, innovation activities, supplier development etc.

He also informed the members about the various Auditors of the Company. He mentioned that the Anand Automotive Limited is the Internal Auditor of the Company; M/s BK Khare & Co. is the Tax & Statutory Auditors and M/s Dhanjay. V. Joshi is the Cost Auditor of the Company.

Further, he stated that, all the plants were doing well, Commercial Vehicle segment was more Profitable and Company had 78% market share in this

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Segment. The next profitable segment for the Company was Two Wheeler Segment and there was margin pressure in the Passenger Vehicle Segment.

He also informed that Sanand plant investment was of Rs. 1.6 Crore and same was operating at the 50% capacity.

The resolution was thereafter put to vote and carried nem con (without any opposition) on a show of hands as an Ordinary Resolution.

5. RE-APPOINTMENT OF MR. DEEPAK CHOPRA

Item No.2 on the Agenda related to the re-appointment of Mr. Deepak Chopra as a Director of your Company.

Mr. Chopra requested Mr. Gurdeep Singh to take the Chair as the resolution relates to his appointment.


Mr. Gurdeep Singh took over as chairman for the said resolution.

The resolution was proposed by Mr. Bharat M. Shah seconded by Mr. Aloysius Mascarenhas

“RESOLVED THAT Mr. Deepak Chopra, a Director retiring by rotation at this meeting and, who being eligible, has offered himself for re- appointment, be and is hereby re-appointed as a Director of the Company whose term of office shall be liable to determination by retirement of Directors by rotation.”

The resolution was put to vote and by show of hands was carried nem con (without any opposition) as an Ordinary Resolution.

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Mr. Deepak Chopra being interested in the Resolution did not participate in the resolution.

Mr. Gurdeep Singh requested Mr. Chopra to take the Chair for the remaining resolutions.

Mr. Chopra took the chair for the remaining resolutions

6. **RE-APPOINTMENT OF MR. RUSSI JAL TARAPOREVALA**

Item No.3 on the Agenda related to re-appointment of Mr. Russi Jal Taraporevala as a Director of the Company.

Mr. Mehta proposed the resolution and Mrs. Celestine Mascarenhas seconded the resolution.

"RESOLVED THAT Mr. Russi Jal Taraporevala, a Director retiring by rotation at this meeting and, who being eligible, had offered himself for re-appointment, be and is hereby re-appointed as a Director of the Company whose term of office shall be liable to determination by retirement of Directors by rotation."

The resolution was put to vote and by show of hands was carried nem con (without any opposition) as an Ordinary Resolution.

7. **RE-APPOINTMENT OF AUDITORS**

Item No. 4 on the Agenda related to Re-appointment of Auditors, M/s B.K Khare & Co., Chartered Accountants.

The resolution was proposed by Mr. Yusuf Yunis Rangwala and seconded by Mr. Bharat Shah

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"RESOLVED THAT subject to the provisions of Section 224, 225 and other applicable provisions, if any, of the Companies Act, 1956, M/s. B.K.Khare & Co., Mumbai, Chartered Accountants be and are hereby re-appointed as Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting upto the conclusion of the next Annual General Meeting of the Company, to examine and audit the accounts of the Company for the Financial Year 2012-13, at such remuneration which would be mutually agreed between the Board of Directors of the Company and the Auditors, plus service tax, and such other taxes as may be applicable, reimbursement of all out of pocket expenses, in connection with the audit of the accounts of the Company for the year ending March 31, 2013."

The resolution was put to vote and by show of hands was carried nem con (without any opposition) as an Ordinary Resolution.

SPECIAL BUSINESS

8. Item No.5 on the Agenda related to appointment of Mr. Mahendra Goyal as Non-Executive Director.

The Chairman informed the shareholders that Mr. Mahendra Goyal was appointed as a Director in Casual Vacancy caused by the resignation of Ms. Padmini Khare Kaicker pursuant to Section 262 of the Companies Act, 1956 by the Board of Directors of the Company at their meeting held on May 27, 2011.

A Notice was received by the Company from a member, under Section 257 of the Companies Act, 1956, signifying his intention to propose Mr. Mahendra Goyal as a candidate for the office of the Director, alongwith a deposit of Rs. 500/-.

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Your directors feel that the Company would benefit from the rich and varied experience possessed by Mr. Mahendra Goyal and hence recommend his appointment.

Mr. Joseph Martins proposed the resolution and Mr. Agnihotri seconded the resolution

"RESOLVED THAT Mr. Mahendra Goyal who was appointed as a Director of the Company in the casual vacancy caused by the resignation of Ms. Padmini Khare Kaicker under Section 262 of the Companies Act, 1956, by the Board of Directors in their meeting held on 27th May, 2011 and who holds office up to the date of ensuing Annual General Meeting and in respect of whom the Company has received from member, a notice in writing, under Section 257 of the Companies Act, 1956, along with a deposit of Rs.500/- proposing his candidature for the office of Director be and is hereby appointed as a Director of the Company and that Mr. Mahendra Goyal will be liable to retire for rotation".

The resolution was put to vote and by show of hands was carried nem con (without any opposition) as an Ordinary Resolution.

Mr. Mahendra Goyal being interested in the Resolution did not participate in the said resolution

9. Item No. 7 of the Notice relates to Alteration of Articles of Association for inserting an article for conducting Board and General Meeting through Video Conferencing.

The Chairman informed the Shareholders that, the Ministry of Corporate Affairs of Government of India while exercising the powers conferred to it by the Companies Act, 1956 has, as a part of its green initiatives in Corporate


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Governance; notified vide its General circular No. 27/2011 dated 20th May, 2011 and General Circular No. 28/2011 dated 20th May, 2011 Guidelines regarding 'Participation by Directors in meeting of Board/ Committee of Directors under the Companies Act, 1956 by Electronic mode' and 'Participation by shareholders in General Meetings under the Companies Act, 1956 through Electronic mode'. And accordingly, the participation by Directors/Members in Board Meeting and General Meeting through Video Conferencing etc. subject to the compliance of guidelines prescribed by the Ministry of Corporate Affairs in the aforementioned circulars is now enabled.

Accordingly, given the size and extent of operations of the Company, and given the fact that the Company being a listed Company, with its shareholders spread throughout the country; it would be in the best interest of the Company that the meeting of the Board of Directors of Company and General Meeting of its members be allowed to be conducted through electronic mode, as and when required. Such conducting of Board Meetings and General Meetings through electronic mode would also be a significant step towards implementing the Corporate Governance initiatives by the Company.

However, for the purpose of enabling the conducting of Meetings of the Board of Directors and/or General Meetings of the members of the Company by Electronic Mode, certain interpretation clauses given in the Clause 2 of the Articles of Association of the Company needs to be altered and certain new clauses need to be introduced in the 'Part XIII' and 'Part XVII' of the Articles of Association.

Further, since the Incorporation of the Company, the Articles of Association of the Company have endured several alterations and various new clauses have been added/altered in the Articles of Association from time to time. Such new clauses were numbered in alphanumeric series and thus, various identically numbered clauses viz. Clause '8' & '8A'; Clause '64', '64A' & '64B'; Clause '106' &

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'106A' etc. are appearing in the Articles of the Association of the Company. Such identical numbering of clauses cause ambiguity for outsiders in interpretation and keeping in view the interests of the Stake holders and following best prevailing Corporate Governance practices, it is also proposed to adopt new set of Articles of Association of the Company wherein all the existing clauses of the Articles of Association of the Company are consequently numbered in Numerical series.

Accordingly, pursuant to the provisions of Section 31 of the Companies Act, 1956; the Company has obtained the consent of the members of the Company at the proposed Annual General Meeting, for altering/inserting relevant clauses in the Articles of Association of the company and adopting the new set of Articles of Association of the Company, by passing a special resolution to this effect.

None of the Directors of the Company are interested in the said resolution.

Mr. Mahesh Jain proposed the resolution and Mr. Powar seconded the resolution

"RESOLVED THAT pursuant to the provisions of Section 31 and all other applicable provisions of the Companies Act, 1956 read with the relevant provisions contained in the Articles of Association of the Company, and pursuant to the Guidelines issued by Ministry of Corporate Affairs vide its General Circular No. 27/2011 and General Circular No. 28/2011 dated 20th May, 2011, the consent of the Members of the Company be and is hereby granted for conducting of the meeting of the Board of Directors of the Company and General Meeting of the Members of the Company by electronic mode and to make following alterations in the Articles of Association of the Company:

The interpretation clauses relating to "Board Meeting" or "Board of Directors Meeting" and "General Meeting"; as given in the Clause 2 of the Articles of Association of the Company be substituted by the following clauses:

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"Board Meeting" or " Board of Directors Meeting" means a meeting of the Directors duly called and constituted, including a meeting held through the electronic mode or otherwise, or, as the case may be, the Directors assembled as a Board, or the Directors of the Company collectively.

"General Meeting" means a meeting of Members, including a meeting held through the electronic mode or otherwise.

The Following clauses be introduced in 'Part XIII' and Part 'XVII' of the Articles of Association of the Company respectively:

Conducting of the A General Meeting of the Members of the Company can be General Meeting of the Members Board of Directors of the Company by use of electronic of the Company through techniques like video conferencing, etc. and such General Electronic mode: Meetings conducted through use of electronic techniques would be considered as a duly conducted General Meeting subject to fulfillment of such conditions; with regards to conducting of General Meeting by electronic mode and capturing of accurate voting processes at such General Meetings; as may be prescribed in this behalf by the Ministry of Corporate Affairs from time to time.



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Conducting of the Meeting of the Board of Directors of the Company could be conducted through Electronic mode at the discretion of the Board of Directors of the company by use of Electronic techniques like Video Conferencing, etc. and such meeting of the Company through conducted through use of electronic techniques would be considered as a duly conducted Board Meeting subject to fulfillment of such conditions with regards to conducting of Board Meeting by electronic mode and capturing of accurate voting processes at such Board Meetings as may be prescribed in this behalf by the Ministry of Corporate Affairs from time to time.

RESOLVED FURTHER THAT in the best interest of the stakeholders of the Company and in line with the best prevailing Corporate Governance practices, and with an intention to avoid any ambiguity in the Interpretation of the Articles of Association of the Company, the draft of new set of Articles of Association of the Company as placed before the members; and wherein the aforementioned alterations/additions relating to conducting of Board Meetings and General Meetings by electronic mode have been duly inculcated and included; be and is hereby adopted as the Articles of Association of the Company with immediate effect, in substitution of the whole of the existing set of Articles of Association of the Company.

RESOLVED FURTHER THAT any of the Directors of the Company and Company Secretary of the Company, be and are hereby authorised to do all such acts, deeds, matters and things including filing of necessary E-forms with the Ministry of Corporate Affairs, as may be necessary to give effect to the foregoing resolution".



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The resolution was put to vote and by show of hands was carried nem con (without any opposition) as a Special Resolution.

THERE BEING NO OTHER BUSINESS, THE MEETING TERMINATED WITH A VOTE OF THANKS TO THE CHAIR. THE CHAIRMAN DECLARED THE MEETING CLOSED AND THANKED THE SHAREHOLDERS.

Place : Pune

Date :


CHAIRMAN

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