

PROCEEDINGS OF THE 2ND ANNUAL GENERAL MEETING OF MEMBERS OF THE COMPANY HELD ON 10TH AUGUST 2005 AT 10.30 AM AT HOTEL GRAND ASHOK, KUMARA KRUPA ROAD, BANGALORE

A. Directors Present:

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| 1. Shri Madanlal J Hinduja | Chairman and Managing Director |
| 2. Shri Rajendra J Hinduja | Executive Director – Finance & Administration |
| 3. Shri Dinesh J Hinduja | Executive Director – Production & Marketing |
| 4. Shri Pradip P Shah | Director |
| 5. Shri K P Kumar | Director |
| 6. Shri H S Nagaraj | Director |

B. In Attendance

Shri M Venkata Subbaiah Company Secretary

C. Invitees

Shri Vijay N Bhatt Partner, RSM & Co. Chartered
Accountants
Shri A V Satish Kumar, Partner, Girish Murthy & Kumar,
Chartered Accountants

D. Members / Proxies

Members present in person :163
Proxies present :5

Shri Madanlal J Hinduja, Chairman took the chair, and thereafter, with the permission of the Members, the Chairman's speech which was circulated to the Members along with the Annual Report, was taken as read.

With the permission of the Members, the Notice of the Meeting was taken as read.

After ascertaining that the requisite quorum for the meeting was present, the Chairman called the meeting to order.

The Chairman informed the Members that the Register of Directors' shareholding was kept open for the inspection and the Members could inspect the same at any time during the meeting.

The Chairman welcomed the Members to the Annual General Meeting. The Chairman briefed about the performance of the Company during the last fiscal year and also plans for the current year.

The Company Secretary, Shri M Venkata Subbaiah read the Auditors' Report on the financial statements of the Company for the year ended 31st March 2005.

The following business was transacted thereafter.

1. Adoption of Accounts:

The audited annual accounts together with the schedules and other relevant information was placed before the Members for their adoption and approval. After

due deliberations and discussions, the Members considered the Profit and Loss Account for the year ended 31st March 2005 and Balance Sheet on that date together with schedules thereto and the Auditors' Report thereon and Directors' Report attached thereto. In this respect a resolution was put forward by the Chairman and accordingly, Shri Venkatesh K.R proposed and Shri Sushil Karlo seconded that the following resolution to be passed as an ordinary resolution:

RESOLVED THAT the profit and loss account for the year ended 31st March 2005 and balance sheet as on that date and Directors' Report and Auditors' Report thereon be and are hereby approved and adopted.

The Chairman thereafter put the resolution for voting by show of hands and the resolution was passed unanimously.

2. Declaration of Dividend

The matter concerning declaration of Dividend was placed before the Members for their consideration and approval.

In this respect a resolution was put forward by the Chairman and accordingly, Shri Subbarao Gopinath proposed and Shri Ganesh Bhatt seconded that the following resolution be passed as an ordinary resolution:

RESOLVED THAT pursuant to the recommendations made by the Board of Directors of the Company, a dividend at the rate of Rs. 2/- per equity share to the equity shareholders of the company whose name appear in the Register of Members as on closing of 1st August 2005 be and is hereby declared out of the current year profits of the Company for the year ended 31st March 2005

The Chairman thereafter put the resolution for voting by show of hands and the resolution was passed unanimously.

3. Reappointment of Shri Rajendra J Hinduja

The matter concerning reappointment of Shri Rajendra J Hinduja was placed before the Members for their consideration and approval. In this respect a resolution was put forward by the Chairman and accordingly, Shri M J Surendra Kumar proposed and Shri M Pras Kumar Surana seconded that the following resolution to be passed as an ordinary resolution:

RESOLVED THAT Shri Rajendra J Hinduja who retires by rotation and being eligible for re-appointment, be and is hereby re-appointed as Director of the Company".

The Chairman thereafter put the resolution for voting by show of hands and the resolution was passed unanimously.

4. Reappointment of Shri Dinesh J Hinduja

The matter concerning reappointment of Shri Dinesh J Hinduja was placed before the Members for their consideration and approval. In this respect a resolution was put forward by the Chairman and accordingly, Shri A Natarajan proposed and Shri D Prabhu seconded that the following resolution to be passed as an ordinary resolution:

RESOLVED THAT Shri Dinesh J Hinduja who retires by rotation and being eligible for re-appointment, be and is hereby re-appointed as Director of the Company”.

The Chairman thereafter put the resolution for voting by show of hands and the resolution was passed unanimously.

5. Reappointment of Auditors

The matter concerning reappointment of M/s RSM & Co., Chartered Accountants and M/s Girish Murthy & Kumar, Chartered Accountants was placed before the Members for their consideration and approval. In this respect a resolution was put forward by the Chairman and accordingly, Shri Prakash Makhija proposed and Shri K V Mohan seconded that the following resolution to be passed as an ordinary resolution:

RESOLVED THAT M/s RSM & Co., Chartered Accountants and M/s Girish Murthy & Kumar Chartered Accountants, the retiring auditors of the Company be and are hereby reappointed as auditors of the Company to hold office until the conclusion of next Annual General Meeting of the Company at a remuneration that may be decided by the Board of Directors.

The Chairman thereafter put the resolution for voting by show of hands and the resolution was passed unanimously.

SPECIAL BUSINESS

Shri Madanlal J Hinduja being interested director in the item nos. 6,7 and 8, Shri Pradip P Shah took over the Chair and conducted the proceedings.

6. Payment of Remuneration to Shri Madanlal J Hinduja, Chairman and Managing Director

The matter concerning the payment of remuneration to Shri Madanlal J Hinduja Chairman and Managing Director was placed before the Members for their consideration and approval. In this respect a resolution was put forward by the Chairman and accordingly, Shri Nagaraj proposed and Shri Sushil Kumar S Karlo seconded that the following resolution to be passed as an ordinary resolution

RESOLVED THAT pursuant to the provisions of Sections 198, 309 and other applicable provisions, if any, of the Companies Act, 1956, read with Schedule XIII of the said Act, the consent of the members be and is hereby accorded for the payment of remuneration, as set out in the explanatory statement annexed hereto and forming part of this notice, to Shri Madanlal J Hinduja, Chairman and Managing Director of the company for the period from 7th January 2005 (date of conversion to public limited company) to 31st December 2009 (both days inclusive).

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to fix and vary remuneration and perquisites including monetary value thereof to the extent the Board of Directors may consider appropriate and as may be considered and permitted or authorized in accordance with the provisions of the Companies Act, 1956, for the time being in force and any statutory modifications or reenactment thereof, and any / or rules or regulations framed there under.”

The Chairman thereafter put the resolution for voting by show of hands and the resolution was passed unanimously.

7. Payment of remuneration to Shri Rajendra J Hinduja, Executive Director

The matter concerning the payment of remuneration to Shri Rajendra J Hinduja Executive Director was placed before the Members for their consideration and approval. In this respect a resolution was put forward by the Chairman and accordingly, Shri K V Mohan proposed and Shri Sastry seconded that the following resolution to be passed as an ordinary resolution

RESOLVED THAT pursuant to the provisions of Sections 198, 309 and other applicable provisions, if any, of the Companies Act, 1956, read with Schedule XIII of the said Act, the consent of the members be and is hereby accorded for the payment of remuneration, as set out in the explanatory statement annexed hereto and forming part of this notice, to Shri Rajendra J Hinduja, Executive Director – Finance & Administration of the company for the period from 7th January 2005 (date of conversion to public limited company) to 31st December 2009 (both days inclusive).

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to fix and vary remuneration and perquisites including monetary value thereof to the extent the Board of Directors may consider appropriate and as may be considered and permitted or authorized in accordance with the provisions of the Companies Act, 1956, for the time being in force and any statutory modifications or reenactment thereof, and any / or rules or regulations framed there under.”

The Chairman thereafter put the resolution for voting by show of hands and the resolution was passed unanimously.

8. Payment of remuneration to Shri Dinesh J Hinduja, Executive Director

The matter concerning the payment of remuneration to Shri Dinesh J Hinduja Executive Director was placed before the Members for their consideration and approval. In this respect a resolution was put forward by the Chairman and accordingly, Shri Ganesh Bhatt proposed and Shri M J Surendra Kumar seconded that the following resolution to be passed as an ordinary resolution

RESOLVED THAT pursuant to the provisions of Sections 198, 309 and other applicable provisions, if any, of the Companies Act, 1956, read with Schedule XIII of the said Act, the consent of the members be and is hereby accorded for the payment of remuneration, as set out in the explanatory statement annexed hereto and forming part of this notice, to Shri Dinesh J Hinduja, Executive Director – Production & Marketing of the company for the period from 7th January 2005 (date of conversion to public limited company) to 31st December 2009 (both days inclusive).

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to fix and vary remuneration and perquisites including monetary value thereof to the extent the Board of Directors may consider appropriate and as may be considered and permitted or authorized in accordance with the provisions of the Companies Act, 1956, for the time being in force and any statutory modifications or reenactment thereof, and any / or rules or regulations framed there under.”

The Chairman thereafter put the resolution for voting by show of hands and the resolution was passed unanimously.

9. Keeping the Register of Members etc., outside the Registered office of the Company

Shri Pradip P Shah handed over back the proceedings to the Chairman Shri Madanlal J Hinduja to continue the proceedings.

The matter concerning keeping the register of members etc., outside the registered office of the Company was placed before the Members for their consideration and approval. In this respect a resolution was put forward by the Chairman and accordingly, Shri Gaurav D Hinduja proposed and Shri Vivek M Hinduja seconded that the following resolution to be passed as an ordinary resolution

“RESOLVED THAT in compliance with the provisions of Section 163 and all other applicable provisions, if any, of the Companies Act, 1956 (hereinafter referred to as “the Act”) the consent of the Company be and is hereby accorded for keeping the register of members, the index of members, records relating to returns of allotment from time to time, copies of annual returns prepared under Section 159 of the Act together with copies of certificates and documents required to be annexed thereto under Section 161 of the Act or any one or more of them, at the Office of Karvy Computershare Private Limited, “Karvy House”, 46, Avenue 4, Street No. 1, Banjara Hills, Hyderabad-500 034, the Registrar and Share Transfer Agents of the Company (apart from being maintained at the registered office of the Company).

RESOLVED FURTHER THAT the registers, indexes, returns, books, certificates or copies of certificates and documents of the Company required to be maintained and kept for inspection under the provisions of the Companies Act, 1956 be kept open for such inspection, at the above mentioned place and also at the registered office of the Company at 70, Mission Road, Bangalore-560 027, for persons entitled thereto, to the extent and in the manner and on payment of fees, if any, specified in the aforesaid Act or the Articles of Association of the Company, between 10.30 am and 12.30 pm on any working day (Monday to Saturday) except when the registers and books are closed under the provisions of the said Act or the Articles of Association of the Company”.

The Chairman thereafter put the resolution for voting by show of hands and the resolution was passed unanimously.

10. Amendment of Articles of Association

The matter concerning amendment of articles of association of the Company was placed before the Members for their consideration and approval. In this respect a resolution was put forward by the Chairman and accordingly, Shri Vivek M Hinduja proposed and Shri Ashwin R Hinduja seconded that the following resolution to be passed as an ordinary resolution

“RESOLVED THAT the following articles shall be substituted in place of existing articles 18, 19, 29, 37, 43, 47, 56, 62,187 and addition of article 69 after existing article 68 with consequent renumbering of subsequent articles:

Limitation of time for issue of certificates:

18. Every member shall be entitled, without payment, to one or more certificates in marketable lots, for all the shares of each class or denomination registered in his name, or if the Directors so approve (upon paying such fee as the directors may from time to time determine) to several certificates, each for one or more of such shares and the company shall complete and have ready for delivery such certificates within three months from the date of allotment, unless the conditions of issue thereof otherwise provide, or within one month of the receipt of application of registration of transfer, transmission, sub division, consolidation or renewal of any of its shares as the case may be. Every certificate of shares shall be under the seal of the company and shall specify the number and distinctive numbers of shares in respect of which it is issued and amount paid up thereon and shall be in such form as the directors may prescribe or approve, provided that in respect of a share or shares held jointly by several persons, the company shall not be bound to issue more than one certificate and delivery of a certificate of shares to one of several joint holders shall be sufficient delivery to all such holders.

Issue of new certificate in place of one defaced, lost or destroyed:

19. If any certificate be worn out, defaced, mutilated or torn out or if there is no further space on the back thereof for endorsement of transfer, then upon production and surrender thereof to the company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed, then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deem adequate being given, a new certificate in lieu thereof shall be given to the party entitled to such lost or destroyed certificate. Every certificate under the article shall be issued without payment of fees if the directors so decide, or on payment of such fees (not exceeding Rs.2/- for each certificate) as the directors shall prescribe, provided that no fee shall be charged for issue of new certificates in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer.

Provided that notwithstanding what is stated above the Directors shall comply with such rules or regulations or requirements of any stock exchange or rules made under the Act or rules made under Securities Contracts (Regulation) Act, 1956 or any other Act or rules applicable in this behalf.

The provisions of this article shall mutatis mutandis apply to debentures of the Company.

Payment in anticipation of call may carry interest

29. The Directors may, if they think fit, subject to the provisions of Section 92 of the Companies Act, 1956 agree to and receive from any member, willing to advance the same, whole or any part of the moneys due upon the shares held by him beyond the sums actually called for, and upon the amount so paid or satisfied in advance, or so much thereof as from time to time exceeds the amount of the calls then made upon the shares in respect of which such advance has been made, the company may pay interest at such rate, as the member paying such sum in advance and the Directors agree upon provided that money paid in advance of calls shall not confer a right to participate in profits or dividend. The Directors may at any time repay the amount so advanced.

The members shall not be entitled to any voting rights in respect of the moneys so paid by him until the same would, but for such payment, become presently payable.

The provisions of these articles shall mutatis mutandis apply to the calls on debentures of the Company.

Company's Lien on shares / Debentures

37. The Company shall have a first and paramount lien upon all the shares / debentures (other than fully paid up shares / debentures) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such shares / debentures and no equitable interest in any share shall be created except upon the footing and condition that this article will have full effect, and such lien shall extend to all dividends and bonuses from time to time declared in respect of such shares / debentures. Unless otherwise agreed the registration of a transfer of shares or debentures shall operate as a waiver of the Company's lien if any, on such shares / debentures. The Directors may at any time declare any shares / debentures wholly or in part to be exempt from the provisions of this clause.

Instrument of Transfer:

43. The instrument of transfer shall be in writing and all provisions of Section 108 of the Companies Act 1956 and statutory modification thereof for the time being shall be duly complied with in respect of all transfer of shares and registration thereof.

Directors may refuse to register transfer:

47. Subject to the provisions of Section 111 of the Companies Act 1956 and Section 22A of the Securities Contracts (Regulation) Act 1956, the Directors may, at their own, absolute and uncontrolled discretion and by giving reasons, decline to register or acknowledge any transfer of shares whether fully paid or not and the right of refusal, shall not be affected by the circumstances that the proposed transferee is already a member of the Company but in such cases, the Directors shall within one month from the date on which the instrument of transfer was lodged with the company, send to the transferee and transferor a notice of refusal to register such transfer provided that registration of transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the company on any account whatsoever except when the company has lien on the shares. Transfer of shares/debentures in whatever lot shall not be refused.

No fee on transfer or transmission

56. No fee shall be charged for registration of transfer, transmission, probate, succession certificate and letters of administration, certificate of death or marriage, power of attorney or similar other document.

Further issue of shares:

62 (i) Where at any time after the expiry of two years from the formation of the Company or at any time after the expiry of one year from the allotment of shares in the Company made for the first time after its formation, whichever is earlier, it is proposed to increase the subscribed capital of the Company by allotment of further shares either out of the un-issued capital or out of the increased share capital then:

- (a) such further shares shall be offered to the persons who at the date of the offer are holders of the equity shares of the Company, in proportion, as near as circumstances admit to the capital paid up on those shares at that date.
- (b) such offer shall be made by a notice specifying the number of shares offered and limiting a time not less than fifteen days from the date of the offer and the offer if not accepted, will be deemed to have been declined.

- (c) The offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to them in favour of any other person and the notice referred to in sub clause (b) hereof shall contain a statement of this right. Provided that the Directors may decline, without assigning any reason to allot any shares to any person in whose favour any member may renounce the shares offered to him.
- (d) After expiry of the time specified in the aforesaid notice or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board of Directors may dispose off them in such manner and to such persons as they may think, in their sole discretion, fit.
- (ii) Notwithstanding anything contained in sub-clause (i) hereof, the further shares aforesaid may be offered to any persons (whether or not those persons include the persons referred to in clause (a) of sub clause (i) hereof) in any manner whatsoever:

 - (a) If a special resolution to that effect is passed by the company in General Meeting, or
 - (b) Where no such special resolution was passed, if the votes cast (whether on show of hands or on poll as the case may be) in favour of the proposal contained in the resolution moved in the general meeting, including the casting vote, if any of the chairman, by the members who, being entitled to do so, vote in person, or where proxies are allowed, by proxy, exceed the votes, if any, cast against the proposal by the members so entitled and voting and the central government is satisfied on an application made by the Board of Directors in this behalf that the proposal is most beneficial to the company.
- (iii) Nothing in sub clause (c) of (i) hereof shall be deemed:

 - (a) to extend the time within which the offer should be accepted; or
 - (b) to authorize any person to exercise the right of renunciation for a second time on the ground that the person in whose favour the renunciation was first made has declined to take the shares comprised in the renunciation.
- (iv) Nothing in this article shall apply to the increase of the subscribed capital of the company caused by the exercise of an option attached to the debentures issued or loans raised by the Company:

 - (1) to convert such debentures or loans into shares in the company; or
 - (2) to subscribe for shares in the company (whether such option is conferred in these articles or otherwise).

Provided that the terms of issue of such debentures or the terms of such loans include a term providing for such option and such term:

- a. either has been approved by the central government before the issue of the debentures or the raising of the loans or is in conformity with the rules, if any, made by that government in this behalf; and
- b. in case of debentures or loans or other than debentures issued to or loans obtained from government or any institution specified by the central government in this behalf, has also been approved by a special resolution passed by the company in General Meeting before the issue of the debentures or raising of the loans.

Unpaid or Unclaimed Dividend:

187. Where the Company has declared a dividend but which has not been paid or the dividend warrant in respect thereof has not been posted within 30 days from the date of declaration to any shareholder entitled to the payment of the dividend, the Company shall within 7 days from the date of expiry of the said period of 30 days, open a special account in that behalf in any scheduled bank called “ Unpaid dividend account of Gokaldas Exports Limited” and transfer to the said account, the total amount of dividend which remains unpaid or in relation to which no dividend warrant has been posted.

Any money transferred to the unpaid dividend account of the company which remains unpaid or unclaimed for a period of 7 years from the date of such transfer, shall be transferred by the Company to the fund established under Section 205C of the Companies Act 1956.

No unclaimed or unpaid dividend shall be forfeited by the Board.

To add after article 68

Term of issue of Debentures

69. Any Debentures, Debenture-stock or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares, attending (but not voting) at the General Meeting, appointment of Directors and otherwise. Debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the Company in the General Meeting by special resolution.

The Chairman thereafter put the resolution for voting by show of hands and the resolution was passed unanimously

VOTE OF THANKS

As there was no other business to be transacted the meeting concluded with vote of thanks to the Chair.

BANGALORE
DATED:10TH AUGUST 2005

MADANLAL J HINDUJA
CHAIRMAN
16TH AUGUST 2005

